Finance Act 2017

CHAPTER 10

FINANCE ACT 2017

PART 1

DIRECT AND INDIRECT TAXES

Income tax charge and rates
1 Income tax charge for tax year 2017-18
2 Main rates of income tax for tax year 2017-18
3 Default and savings rates of income tax for tax year 2017-18
4 Starting rate limit for savings for tax year 2017-18

Corporation tax charge
5 Corporation tax charge for financial year 2018

Income tax: general
6 Workers’ services provided to public sector through intermediaries
7 Optional remuneration arrangements
8 Taxable benefits: asset made available without transfer
9 Overseas pensions
10 Pensions: offshore transfers
11 Deduction of income tax at source

Employee shareholder shares
12 Employee shareholder shares: amount treated as earnings
13 Employee shareholder shares: abolition of CGT exemption
14 Employee shareholder shares: purchase by company
Disguised remuneration

15 Employment income provided through third parties

Indirect taxes

16 VAT: zero-rating of adapted motor vehicles etc
17 Insurance premium tax: standard rate
18 Insurance premium tax: anti-forestalling provision
19 Air passenger duty: rates from 1 April 2017
20 Vehicle excise duty: rates
21 Alcoholic liquor duties: rates
22 Tobacco products duty: rates
23 Tobacco products duty: minimum excise duty

Avoidance

24 Promoters of tax avoidance schemes: threshold conditions etc

PART 2

SOFT DRINKS INDUSTRY LEVY

Introductory

25 Soft drinks industry levy
26 “Soft drink” and “package”
27 Meaning of “prepared drink”

Chargeable soft drinks

28 Meaning of “chargeable soft drink”
29 Sugar content condition
30 Exempt soft drinks

Charging of the soft drinks industry levy

31 Charge to soft drinks industry levy
32 Chargeable events: soft drinks packaged in the UK
33 Chargeable events: soft drinks imported into the UK
34 Secondary warehousing regulations
35 Liability to pay the levy
36 Levy rates

Exemption etc

37 Small producer exemption
38 Meaning of “small producer”
39 Tax credits

Registration

40 The register
41 Liability to register: packagers
42 Liability to register: producers
43 Liability to register: imported chargeable soft drinks
44 Notification of liability and registration
45 Voluntary registration: small producers
46 Cancellation of registration under section 41, 42 or 43
47 Cancellation of voluntary registration
48 Correction of the register
49 Applications, notifications etc

Offences
50 Fraudulent evasion
51 Failure to notify registration liability

Administration and enforcement
52 Payment, collection and recovery
53 Records
54 Power to make further provision about enforcement
55 Appeals etc
56 Supplementary amendments

Miscellaneous
57 Regulations: death, incapacity or insolvency of person carrying on a business
58 Provisional collection of soft drinks industry levy

General
59 Interpretation of Part 2
60 Regulations
61 Commencement

PART 3

FINAL

62 Interpretation
63 Short title

SCHEDULES
SCHEDULE 1 — Workers’ services provided to public sector through intermediaries

Part 1 — PRELIMINARY AMENDMENTS
1 ITEPA 2003 is amended as follows.
2 In section 48 (scope of Chapter 8 of Part 2:...
3 In section 49(1) (engagements to which Chapter applies), after paragraph...
4 In section 52(2)(b) and (c) (conditions of liability under Chapter...
5 In section 61(1) (interpretation of Chapter 8), before the definition...
6 In section 61A (scope of Chapter 9 of Part 2:...
7 In section 61D (deemed earnings where worker’s services provided by...
8 In section 61J(1) (interpretation of Chapter 9), before the definition...

Part 2 — NEW CHAPTER 10 OF PART 2 OF ITEPA 2003
9 In Part 2 of ITEPA 2003 (employment income: charge to...

Part 3 — CONSEQUENTIAL AMENDMENTS
10 In section 7(5)(a) of ITEPA 2003 (amounts treated as earnings...
11 In section 49 of ITEPA 2003 (engagements to which Chapter...
12 In section 339A of ITEPA 2003 (travel for employment involving...
13 In Chapter 11 of Part 2 of ITTOIA 2005 (trade...
14 In Chapter 9 of Part 3 of CTA 2009 (trade...

Part 4 — COMMENCEMENT
15 The amendments made in ITEPA 2003 by Parts 1 and...
16 The amendment made by Part 2 of this Schedule has...
17 The payments to which the amendments made in ITTOIA 2005...

SCHEDULE 2 — Optional remuneration arrangements
1 Optional remuneration arrangements
2 Benefits in kind: amount treated as earnings
3 (1) Section 81 (benefit of cash voucher treated as earnings)...
4 After section 87 insert— Benefit of non-cash voucher treated as...
5 In section 88 (year in which earnings treated as received)—...
6 After section 94 insert— Benefit of credit-token treated as earnings:....
7 In section 97 (living accommodation to which Chapter 5 applies),...
8 In section 98 (accommodation provided by local authority), in the...
9 (1) Section 99 (accommodation provided for performance of duties) is...
10 In section 100 (accommodation provided as result of security threat),....
11 In section 100A (homes outside UK owned by company etc),...
12 In section 101 (Chevening House), in the words before paragraph...
13 (1) Section 102 (benefit of living accommodation treated as earnings)...
14 In section 103 (method of calculating cash equivalent), in subsection...
15 After section 103 insert— Accommodation provided pursuant to...
16 optional remuneration...
17 (1) Section 105 (cash equivalent: cost of accommodation not over...
18 (1) Section 106 (cash equivalent: cost of accommodation over...
19 £75,000)...
20 (1) Section 109 (priority of Chapter 5 over Chapter 1...  
21 In section 114 (cars, vans and related benefits), in subsection...
22 (1) Section 119 (where alternative to benefit of car or...
23 In section 120 (benefit of car treated as earnings), after...
24 After section 120 insert— Benefit of car treated as earnings:....
25 After section 121 insert— Optional remuneration arrangements: method...
26 of calculating...
27 In section 126 (amounts taken into account in respect of...
28 (1) Section 131 (replacement accessories) is amended as follows.
29 In section 132 (capital contributions by employee), in subsection (1),...
30 After section 132 insert— Capital contributions by employee: optional...
31 remuneration...
32 (1) Section 143 (deduction for periods when car unavailable) is...
33 (1) Section 144 (deduction for payments for private use) is...
34 (1) Section 145 (modification of provisions where car temporarily...
35 replaced)...  
36 (1) Section 146 (cars that run on road fuel gas)...  
37 After section 147 insert— Classic cars: optional remuneration...
38 arrangements (1) This section applies in calculating the relevant amount...
39 in...
40 (1) Section 148 (reduction of cash equivalent where car is...
41 In section 149 (benefit of car fuel treated as earnings),...
42 After section 149 insert— Benefit of car fuel treated as...
43 In section 154 (benefit of van treated as earnings), after...
37 After section 154 insert— Benefit of van treated as earnings:....
38 After section 158 insert— Van provided pursuant to optional remuneration...
39 (1) Section 160 (benefit of van fuel treated as earnings)...
40 After section 160 insert— Benefit of van fuel treated as...
41 In section 170 (orders etc relating to Chapter 6 of...
42 In section 173 (loans to which Chapter 7 applies), in...
43 In section 175 (benefit of taxable cheap loan treated as...
44 (1) After section 175 insert— Optional remuneration arrangements: “relevant amount”...
45 In section 180 (threshold for benefit of loan to be...
46 In section 184 (interest treated as paid), in subsection (1),...
47 In section 202 (excluded benefits), after subsection (1) insert—
48 After section 203 insert— Employment-related benefit provided under optional remuneration...

Exemptions
50 Other amendments
51 In section 95 of ITEPA 2003 (disregard for money, goods...
52 (1) In section 236 of ITEPA 2003 (interpretation of Chapter...
53 (1) Section 239 of ITEPA 2003 (payments and benefits connected...
54 In section 362 of ITEPA 2003 (deductions where non-cash voucher...
55 In section 318A of ITEPA 2003 (childcare: limited exemption for...
56 In section 363 of ITEPA 2003 (deductions where credit-token provided),...
57 In section 693 of ITEPA 2003 (cash vouchers), in subsection...
58 In section 694 of ITEPA 2003 (non-cash vouchers), in subsection...
59 In section 695 of ITEPA 2003 (benefit of credit-token treated...
60 In Part 2 of Schedule 1 to ITEPA 2003 (index...
61 In Part 2 of Schedule 1 to ITEPA 2003 (index...

Commencement and transitional provision

SCHEDULE 3 — Overseas pensions
 Part 1 — REGISTERED PENSION SCHEMES ESTABLISHED OUTSIDE THE UK
1 (1) In Chapter 5A of Part 4 of FA 2004...
 Part 2 — INCOME TAX ON PENSION INCOME
2 UK residents to be taxed on 100%, not 90%, of foreign pension income
3 Superannuation funds to which section 615(3) of ICTA applies
 Part 3 — LUMP SUMS FOR UK RESIDENTS FROM FOREIGN PENSION SCHEMES
4 Introductory
5 Employer-financed retirement benefit schemes: ending of foreign-service relief
6 After section 395B insert— Meaning of “foreign service” in section...
7 In section 554Z4 (treatment of relevant step: residence issues), after...
8 Lump sums under other foreign schemes
9 In section 574(1) (foreign pensions: meaning of “pension”), after paragraph...
10 (1) After section 574 insert— “Pension”: relevant lump sums (1) A lump sum paid under a pension scheme to...
11 (1) In section 576A (temporary non-residents), as it applies where...
12 (1) In section 576A, as it applies where the year...
13 Relief from tax under Part 9 of ITEPA 2003 not to give rise to tax under other provisions
SCHEDULE 4 — Pensions: offshore transfers

Part 1 — CHARGES WHERE PAYMENTS MADE IN RESPECT OF OVERSEAS PENSIONS

1 Amendments of Schedule 34 to FA 2004
2 (1) Paragraph 1 (application of member payment charges to relevant...
3 (1) Paragraph 2 (member payment provisions apply to payments out...
4 (1) Paragraph 3 (payments to or in respect of relieved...
5 (1) Paragraph 4 (payments to or in respect of transfer...
6 In paragraph 7(2)(c) (regulations about application of member payment provisions),...
7 (1) Paragraph 9ZB (application of section 227G) is amended as...
8 The amendments made by paragraph 3 apply in relation to...
9 Consequential amendments in ITEPA 2003
10 (1) Section 576A of ITEPA 2003, as it applies where...

Part 2 — INCOME TAX ON PENSION TRANSFERS: OVERSEAS TRANSFER CHARGE

11 Tax charge on transfers to qualifying recognised overseas pension schemes
13 (1) Section 169 (recognised transfers, and definition and obligations of...
14 After Chapter 5 insert— CHAPTER 5A Registered pension schemes established...
15 In section 254(6) (regulations about accounting for tax by scheme...
16 In section 255(1) (power to make provision for assessments), after...
17 In section 269(1)(a) (appeal against decision on discharge of liability),...
18 In Schedule 32 (benefit crystallisation events: supplementary provision), after paragraph...
19 Other amendments
20 In Schedule 56 to FA 2009 (penalty for failure to...
21 (1) In regulation 3(1) of the Registered Pension Schemes (Accounting...
22 (1) The Pension Schemes (Information Requirements for Qualifying Overseas Pension...
23 (1) The Registered Pension Schemes (Transfers of Sums and Assets)...
24 (1) The Registered Pension Schemes (Provision of Information) Regulations 2006...
25 Commencement and transitional provision

SCHEDULE 5 — Deduction of income tax at source

Part 1 — INTEREST DISTRIBUTIONS OF INVESTMENT TRUST OR AUTHORISED INVESTMENT FUND

1 In Chapter 3 of Part 15 of ITA 2007 (deduction...
2 In section 45(2) of FA 2009 (provision that regulations may...
3 Part 2 — INTEREST ON PEER-TO-PEER LENDING
2 In Chapter 3 of Part 15 of ITA 2007 (deduction...
3 Part 3 — FURTHER AMENDMENT AND COMMENCEMENT
4 Further amendment
5 Commencement

SCHEDULE 6 — Employment income provided through third parties

1 Introductory
2 Meaning of “relevant step”
3 Loans: transferring, releasing or writing off
4 In section 554A(4) (non-application of Chapter 2 where relevant step...
5 After section 554O insert— Exclusions: transfer of employment-related loans (1) Chapter 2 does not apply by reason of a...
6 In section 554Z(10)(b) (interpretation: relevant step which involves a sum... 
7 In section 554Z12(1) (relevant step taken after A’s death etc.)...
8 Exclusions: relevant repayments
9 Exclusions: payments in respect of a tax liability
10 Double taxation
11 After section 554Z11A insert— Double taxation: earlier income tax liability...
12 Amendments to Schedule 2 to FA 2011
13 Commencement
14 Section 554RA of ITEPA 2003, inserted by paragraph 8 of...
15 (1) Paragraph 13 does not apply in relation to the...
16 The amendments made by paragraph 12 of this Schedule to...

<table>
<thead>
<tr>
<th>SCHEDULE 7 — VAT: zero-rating of adapted motor vehicles etc</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Adaptation of a qualifying motor vehicle</td>
</tr>
<tr>
<td>2 Three year rule, reporting and certification</td>
</tr>
<tr>
<td>3 Penalty</td>
</tr>
<tr>
<td>4 Minor amendments</td>
</tr>
<tr>
<td>5 In Part 1 (index to zero-rated supplies of goods and...</td>
</tr>
<tr>
<td>6 In Group 4 (talking books for the blind and handicapped...)</td>
</tr>
<tr>
<td>7 In Group 12 (drugs, medicines, aids for the handicapped etc)—</td>
</tr>
<tr>
<td>8 In Group 15 (charities etc)— (a) in item 5 and...</td>
</tr>
<tr>
<td>9 Commencement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SCHEDULE 8 — Soft drinks industry levy: recovery and overpayments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1 — RECOVERY</td>
</tr>
<tr>
<td>1 Recovery as debt due</td>
</tr>
<tr>
<td>2 Assessments</td>
</tr>
<tr>
<td>3 (1) Sub-paragraph (2) applies where— (a) the Commissioners have made...</td>
</tr>
<tr>
<td>4 (1) Sub-paragraph (2) applies where it appears to the Commissioners...</td>
</tr>
<tr>
<td>5 Supplementary assessments</td>
</tr>
<tr>
<td>6 Further provision about assessments under paragraphs 2, 4 and 5</td>
</tr>
<tr>
<td>7 Time limits for assessments</td>
</tr>
<tr>
<td>Part 2 — OVERPAYMENTS</td>
</tr>
<tr>
<td>8 Repayments of overpaid levy</td>
</tr>
<tr>
<td>9 Supplementary provisions about repayment etc.</td>
</tr>
<tr>
<td>10 (1) This paragraph applies where— (a) an amount has been...</td>
</tr>
<tr>
<td>11 Reimbursement arrangements</td>
</tr>
<tr>
<td>12 Assessment for excessive repayment</td>
</tr>
<tr>
<td>13 Supplementary assessments</td>
</tr>
<tr>
<td>14 Further provision about assessments under paragraphs 12 and 13</td>
</tr>
<tr>
<td>15 Time limits for assessments</td>
</tr>
<tr>
<td>Part 3 — FURTHER PROVISION ABOUT NOTICES ETC.</td>
</tr>
<tr>
<td>16 Notifications to a person’s representative</td>
</tr>
<tr>
<td>17 Service of notices</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SCHEDULE 9 — Soft drinks industry levy: requirements to keep records etc: penalties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1 — PENALTIES</td>
</tr>
</tbody>
</table>
1. Sections 48(2) and 53(1): requirements imposed by regulations
2. Section 53(2): requirements imposed by directions
3. Power to alter amounts specified in paragraphs 1 and 2
4. Reasonable excuse
   Part 2 — ASSESSMENTS
5. Power to make assessments
6. Supplementary assessments
7. Further provision about assessments under this Schedule
8. Time limits for assessments
9. Further provision about notices
10. A notice under this Schedule may be given to a...

SCHEDULE 10 — Soft drinks industry levy: appeals and reviews
   Part 1 — APPEALABLE DECISIONS
1. Appealable decisions
   Part 2 — REVIEWS
2. Offer of review
3. Right to require review
4. Review by HMRC
5. Extensions of time
6. Review out of time
7. Nature of review etc.
8. Service of notices
   Part 3 — APPEALS
9. “Appeal tribunal”
10. Bringing of appeals
11. Appeals: further provision
12. Determinations on appeal
13. On an appeal against a decision mentioned in paragraph 1(f)...
14. Subject to paragraph 15, on an appeal against a decision...
15. (1) On an appeal against a decision mentioned in paragraph...

SCHEDULE 11 — Soft drinks industry levy: supplementary amendments
1. HMRC powers to obtain information etc.
2. Penalties: failure to notify etc.
3. Penalties: failure to comply with requirements relating to returns
4. (1) Schedule 55 to FA 2009 (penalty for failure to...
5. (1) Schedule 56 to FA 2009 (penalty for failure to...
6. (1) Schedule 23 to FA 2011 (data-gathering powers) is amended...
7. Interest