Finance Act 2018

CHAPTER 3

FINANCE ACT 2018

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5 ITEPA 2003
6 ITTOIA 2005
7 CTA 2009
8 F(No.2)A 2017

PART 4 — LOANS ETC OUTSTANDING ON 5 APRIL 2019
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10 After paragraph 35 insert— PART 3A Duty to provide loan...
11 (1) Paragraph 36 (duty to provide loan balance information to...
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13 The amendment made by paragraph 1— (a) is to be...
14 The amendments made by paragraphs 2, 3 and 5 of...
15  The amendment made by paragraph 6 of this Schedule in...
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3  (1) Section 292A of ITA 2007 (the maximum amount raised...
4  In section 297B of ITA 2007 (the proportion of skilled...
5  Initial investing period: permitted age of knowledge-intensive company
6  After section 252A of ITA 2007 insert— Knowledge-intensive company reaching...
7  In section 280C of ITA 2007 (the permitted maximum age...
8  In section 294A of ITA 2007 (the permitted company age...
9  After section 331A of ITA 2007 insert— Knowledge-intensive company reaching...
10  Commencement

SCHEDULE 5 — Venture capital trusts: further amendments
1  Relaxation of restriction where there is a linked sale
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3  In consequence of the amendment made by paragraph 2, in...
4  In section 280A of ITA 2007, in subsection (2)(a), for...
5  The minimum investment on further issue condition
6  After section 280B of ITA 2007 insert— The minimum investment...
7  Non-qualifying loans
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9  In Part 1 of Schedule 16 to FA 2007 (venture...
10  In Schedule 11 to FA 2008 (venture capital trusts), in...
11  (1) In Schedule 2 to F(No.3)A 2010 (venture capital trusts),...
12  Commencement
13  The other amendments made by this Schedule come into force...
14  Regulations under paragraph 13— (a) may make different provision for...

SCHEDULE 6 — Partnerships
PART 1 — BARE TRUSTS
1  In ITTOIA 2005, after section 848 insert— Bare trusts (1) This section applies if— (a) a partner in a...
2  In CTA 2009, after section 1258 insert— Bare trusts (1) This section applies if— (a) a partner in a...
3  (1) TMA 1970 is amended as follows.
4  (1) The amendment made by paragraph 1 has effect in...
   PART 2 — NOTIONAL TRADE AND BUSINESS OF INDIRECT PARTNER
5 (1) ITTOIA 2005 is amended as follows.
   PART 3 — RETURNS: INFORMATION TO BE INCLUDED
6 (1) TMA 1970 is amended as follows.
7 (1) F(No.2)A 2017 is amended as follows.
   PART 4 — RETURNS: OVERSEAS PARTNERS IN INVESTMENT PARTNERSHIPS ETC
8 (1) TMA 1970 is amended as follows.
9 In Schedule 14 to F(No.2)A 2017 (amendments relating to digital... PART 5 — RETURNS CONCLUSIVE AS TO SHARES OF PROFITS AND LOSSES
10 (1) TMA 1970 is amended as follows.
11 In section 850 of ITTOIA 2005 (allocation of firm’s profits... 12 In section 1262 of CTA 2009 (allocation of firm’s profits... 13 (1) FA 2014 is amended as follows.
14 The amendments made by paragraphs 10 to 13 have effect...
15 (1) Schedule 14 to F(No.2)A 2017 (amendments relating to digital...

SCHEDULE 7 — Hybrid and other mismatches
1 Introductory
2 Meaning of “tax” etc and treatment of cases where tax charged at a nil rate
3 In section 259BC (meaning of “ordinary income”), in subsection (3),...
4 In section 259FA (circumstances in which Chapter 6 applies), after...
5 In section 259GB (hybrid payee deduction/non-inclusion mismatches and their extent),...
6 In section 259KB (meaning of “excessive PE deduction”), after subsection...
7 CFCs and foreign CFCs: qualifying CFC amounts
8 Hybrid and other mismatches from financial instruments: qualifying capital amounts
9 Hybrid transfer deduction/non-inclusion mismatches: qualifying capital amounts
10 In section 259DD (hybrid transfer deduction/non-inclusion mismatches: interpretation of section...
11 Hybrid payee deduction/non-inclusion mismatches
12 Multinational payee deduction/non-inclusion mismatches
13 Hybrid entity double deduction mismatches: use of restricted deduction
14 After section 259IC insert— Section 259ID income for the purposes...
15 Imported mismatches: dual inclusion income
16 (1) Section 259KC (denial of the relevant deduction in relation...
17 After section 259KC insert— Deductions from dual inclusion income
   (1) If— (a) section 259KA(6)(a) applies as a result of...
18 Adjustments in light of subsequent events: accounting treatment
19 Commencement

SCHEDULE 8 — Corporate interest restriction
   PART 1 — AMENDMENTS OF PART 10 OF TIOPA 2010
1 Introductory
2 Hedging of tax-interest expense amounts or tax-interest income amounts etc
3 (1) Section 387 (relevant derivative contract credits) is amended as...
4 (1) Section 411 (“relevant expense amount” and “relevant income amount”)...
5 In section 412 (section 411: interpretation), after subsection (3) insert
—...
6 Group ratio: leaving R&D expenditure credits out of account
7 Public infrastructure
8 (1) Section 434 (elections under section 433) is amended as...
9 (1) Section 436 (meaning of “qualifying infrastructure activity”) is amended...
10 In section 443 (interest capacity for group with qualifying infrastructure...
11 In section 444 (joint venture companies), in subsection (1), after...
12 Identifying members of a worldwide group
13 (1) Section 475 (meaning of “non-consolidated subsidiary” and “consolidated subsidiary”)...
14 Interest restriction returns
15 (1) Paragraph 70 of Schedule 7A (cases where company treated...
16 After paragraph 70 of Schedule 7A insert— Failure to comply...
17 (1) Paragraph 71 of Schedule 7A (regulations for purposes of...
18 Other amendments
19 In section 393(5)(a) (amount of interest allowance for a period...
20 (1) Section 411 (meaning of “relevant expense amount” and “relevant...
21 (1) Section 412 (section 411: interpretation) is amended as follows....
22 Commencement
23 (1) Part 10 of TIOPA 2010 has effect, and is...
24 The amendment made by paragraph 11 has effect in relation...
25 The amendments made by paragraph 15 have effect in relation...
26 The amendment made by paragraph 16 does not have effect...

PART 2 — OTHER AMENDMENTS
27 In section 9A of CTA 2010 (designated currency of a...
28 The amendment made by paragraph 27 has effect in relation...

SCHEDULE 9 — Bank levy

PART 1 — CHARGEABLE EQUITY AND LIABILITIES

1 Introductory
2 Chargeable equity and liabilities: relevant groups and relevant entities
3 Definition of “UK allocated equity and liabilities”
4 (1) Paragraph 25 (UK allocated equity and liabilities: netting) is...
5 In paragraph 26(4), for “paragraph 17(17) or 19(17)” substitute “paragraph...
6 (1) Paragraph 27 (UK allocated equity and liabilities: determining the...
7 After paragraph 27 insert— (1) Paragraph 27D applies for the purposes of paragraph 27(2)(b)....
8 Consequential amendments
9 In paragraph 30(2), at the beginning insert “For the purposes...
10 In paragraph 40(1), for the words from “paragraphs 16” to...
11 (1) Paragraph 47 is amended in accordance with this paragraph....
12 In paragraph 53(4)— (a) in paragraph (a), for “relevant UK...
13 (1) Paragraph 54 is amended in accordance with this paragraph....
14 (1) Paragraph 70 is amended in accordance with this paragraph....
15 In paragraph 77, after “subject to” insert “Step 7 in...

PART 2 — MISCELLANEOUS AMENDMENTS

16 Introductory
17 Joint ventures
18 Joint and several liability
19 After paragraph 53, insert— (1) This paragraph applies where— (a) an entity (the “ring-fenced...
20 Meaning of “the responsible member”
21 After paragraph 55, insert— (1) This paragraph applies for the purposes of paragraph 54(3)(c)(ii)...  
22 International accounting standards
23 In paragraph 12 (definition of “banking group”), in sub-paragraph (7)...
24 In paragraph 13 (definition of “banking group”: exempt activities condition)—...
25 In paragraph 14 (definition of “assets”, “equity” and “liabilities”), omit...
26 In paragraph 24 (definition of “UK allocated equities and liabilities”)...
...
27 In paragraph 35 (exclusion of relevant tax liabilities)—
28 In paragraph 36 (exclusion of relevant retirement benefit liabilities)—
29 In paragraph 42 (financial statements etc)— (a) in sub-paragraph (8),...
...
PART 3 — COMMENCEMENT
35 The amendments made by Part 1, and by paragraphs 17...
36 The amendments made by paragraphs 18 and 19 of Part...

SCHEDULE 10 — Settlements: anti-avoidance etc
PART 1 — CAPITAL GAINS TAX
1 TCGA 1992
2 (1) Sub-paragraph (2) applies in a case where—
...
PART 2 — INCOME TAX
3 ITTOIA 2005
4 In section 619(1) (list of provisions in the Chapter charging...
5 In section 621 (income charged under the Chapter), for “income...
6 In section 622 (person liable), at the end insert “,...
7 In section 623 (deductions and reliefs allowed when calculating liability...
8 In section 635 (amount of available income for section 633... 
9 In section 636 (amount of unprotected income that is undistributed...
10 In section 637 (qualifications to section 636)—
11 After section 643 insert— Benefits matched with protected foreign-source income...
12 ITA 2007
13 (1) Section 731 (charge to tax on income treated as...
14 In section 732(1)(e) (where benefit received, income treated as arising...
15 In section 733A(7) (meaning of “close member” of settlor’s family),...
16 After section 733A insert— Recipients of onward gifts (1) Sections 733C to 733E apply if—
17 In section 734 (amount charged under section 731 is reduced...
18 After section 734 insert— Reduction in amount charged: previous settlements...
19 After section 735B insert— Person liable under section 733C or...
20 Consequential amendments
21 Commencement etc of amendments in ITTOIA 2005 and ITA 2007
22 The new section 643D(3) of ITTOIA 2005 is to be...

SCHEDULE 11 — Stamp duty land tax: higher rates for additional dwellings
1 Schedule 4ZA to FA 2003 (stamp duty land tax: higher...
2 Previous residence required to be disposed of entirely
3 Exception where purchaser has prior interest in purchased dwelling
4 Exception where spouses and civil partners purchasing from one another
5 Property adjustment on divorce, dissolution of civil partnership etc
6 Purchase etc by person appointed under Mental Capacity Act 2005 to make decisions for a child
7 Minor and consequential amendments
8 (1) Paragraph 3 is amended as follows.
9 In paragraph 6— (a) after sub-paragraph (1) insert—
10 In paragraph 8— (a) in sub-paragraph (1) for “ceases to...
11 In paragraph 9(3) for “paragraph” substitute “Schedule”:
12 (1) Paragraph 12 is amended as follows.
13 In the italic heading before paragraph 17 omit “, Wales”....
14 (1) Paragraph 17 is amended as follows.
15 In section 128(9)(b) of FA 2016 for “‘during that period...
16 Commencement

SCHEDULE 12 — Landfill tax: disposals not made at landfill sites, etc
PART 1 — AMENDMENTS OF PART 3 OF FA 1996
1 Introduction
2 Taxable disposals
3 After section 40 insert— Disposals of material (1) For the purposes of this Part, there is a...
4 Liability to pay landfill tax
5 Exemptions
6 In section 44 (mining and quarrying), in subsection (1), after...
7 (1) Section 45 (pet cemeteries) is amended as follows.
8 In section 46 (power to vary), in subsection (2), before...
9 Taxable activities
10 Taxable disposals etc: supplementary and consequential amendments
11 In section 51 (credit: general), in subsection (1)(a), after “liable...
12 In section 52 (bad debts), in subsection (1)(a), after “taxable...
13 Omit sections 64 to 67.
14 (1) Section 70 (interpretation) is amended as follows.
15 In section 71 (orders and regulations), in subsection (7)—
16 (1) Schedule 5 (landfill tax) is amended as follows.
17 Registration
18 Registration: supplementary and consequential amendments
19 (1) Section 59 (groups of companies) is amended as follows....
20 In section 70 (interpretation), in subsection (1), for “‘registrable person’...
21 (1) Schedule 5 is amended as follows.
22 Assessment
23 After that section insert—

Power to assess: unregistered persons

(1) Where—

(a) it appears to the Commissioners that a...

24 Assessment: supplementary and consequential amendments

(1) Schedule 5 is amended as follows.

PART 2 — Amendments of Other Acts

26 FA 2008

(1) Schedule 41 to that Act (penalties: failure to notify...

28 FA 2011

PART 3 — Commencement and Transitional Provisions

29 Commencement

30 Registration

31 Disposals before April 2018 at places other than landfill sites

32 (1) A person who is liable (by virtue of paragraph...

33 Schedule 41 to FA 2008 (penalties: failure to notify etc)...

34 Paragraphs 31 to 33 come into force on 1 April...

35 Interpretation