

2018 No. 238

CORPORATION TAX

TONNAGE TAX

**The Tonnage Tax (Prescribed and Specified Matters)
Regulations 2018**

<i>Made</i> - - - -	<i>28th February 2018</i>
<i>Laid before the House of Commons</i>	<i>1st March 2018</i>
<i>Coming into force</i> - -	<i>22nd March 2018</i>

The Treasury, in exercise of the powers conferred by paragraphs 22C(1)(a), 22C(2)(a) and 22C(7) of Schedule 22 to the Finance Act 2000(a), make the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Tonnage Tax (Prescribed and Specified Matters) Regulations 2018 and come into force on 22nd March 2018.

(2) In these Regulations “the Schedule” means Schedule 22 to the Finance Act 2000.

Prescribed three year period

2. For the purposes of paragraph 22C(1)(a) of the Schedule, the prescribed three year period is the period beginning on 2 October 2014 and ending on 1 October 2017.

Percentage of the tonnage tax fleet which is Community-flagged

3. For the purposes of paragraph 22C(1)(a) of the Schedule, “the percentage of the tonnage tax fleet which is Community-flagged” means the percentage determined under paragraph 22B(3) of the Schedule for all companies to which the Schedule applies.

*Andrew Stephenson
Craig Whittaker*

28th February 2018

Two of the Lords Commissioners of Her Majesty’s Treasury

(a) 2000 c. 17; paragraph 22C was inserted by paragraph 8 of Schedule 7 to the Finance Act 2005 (c. 7).

EXPLANATORY NOTE

(This note is not part of the Regulations)

Paragraph 8 of Schedule 7 to the Finance Act 2005 (c. 7) introduced, in order to comply with the (then) European Community guidelines on State aid to maritime transport, a general requirement that ships entering the tonnage tax regime in future should be Community-flagged (registered in the European Union (EU) or European Economic Area (EEA)).

Paragraph 22B(2) of Schedule 22 gives the Treasury the power to make an Order disapplying that rule on a year-by-year basis. Before such an Order can be made, paragraph 22C(1)(a) requires the Treasury to be satisfied that the percentage of the tonnage tax fleet which is Community-flagged has not decreased on average over a three year period. For the purposes of meeting that condition, these Regulations prescribe the three year period (in regulation 2). The Regulations also specify the meaning of the percentage of the tonnage tax fleet which is Community-flagged (in regulation 3).

A Tax Information and Impact Note has not been produced for this instrument as it contains no substantive changes to tax policy.

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