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STATUTORY INSTRUMENTS

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**2019 No. 658**

**CORPORATION TAX  
TONNAGE TAX**

**The Tonnage Tax (Exception of  
Financial Year 2019) Order 2019**

*Made - - - - 25th March 2019*

The Treasury are satisfied that the percentage of the tonnage tax fleet which is Community-flagged has not decreased on average over the three year period prescribed by regulation 2 of the Tonnage Tax (Prescribed and Specified Matters) Regulations 2019<sup>(1)</sup>.

The Treasury make this Order in exercise of the powers conferred by paragraphs 22B(2) and 22C(1) of Schedule 22 to the Finance Act 2000<sup>(2)</sup>.

**Citation**

1. This Order may be cited as the Tonnage Tax (Exception of Financial Year 2019) Order 2019.

**Exception of financial year 2019**

2. The financial year 2019<sup>(3)</sup> is designated as a financial year in relation to which paragraph 22A of Schedule 22 to the Finance Act 2000 is not to have effect.

*Mike Freer*

*Rebecca Harris*

Two of the Lords Commissioners of Her  
Majesty's Treasury

25th March 2019

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(1) [S.I. 2019/398](#); regulation 2 of those Regulations prescribes the three year period and regulation 3 specifies the meaning of "the percentage of the tonnage tax fleet which is Community-flagged" for the purposes of paragraph 22C(1)(a) of Schedule 22 to the Finance Act 2000 ([c. 17](#)).

(2) [2000 c. 17](#); paragraphs 22A to 22C were inserted by paragraph 8 of Schedule 7 to the Finance Act 2005 ([c. 7](#)).

(3) "Financial year 2019" has the meaning given in section 1119 of the Corporation Tax Act 2010 ([c. 4](#)).

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

The tonnage tax regime is a system of taxation for shipping companies provided for by section 82 of, and Schedule 22 to, the Finance Act 2000 (c. 17).

This Order disapplies paragraph 22A of Schedule 22 to the Finance Act 2000 for the financial year 2019.

Paragraph 22A of Schedule 22 sets out the general requirement that ships entering the tonnage tax regime should be Community-flagged (registered in the European Union or European Economic Area). This requirement was introduced by paragraph 8 of Schedule 7 to the Finance Act 2005 (c. 7) in order to comply with (then) European Community guidelines on State aid to maritime transport.

Paragraphs 22B(2) and 22C of Schedule 22 give the Treasury the power to make an Order disapplying that requirement on a year-by-year basis provided that they are satisfied that the percentage of the tonnage tax fleet which is Community-flagged has not decreased over a three year period that has been prescribed in regulations. The Tonnage Tax (Prescribed and Specified Matters) Regulations 2019 (S.I. 2019/398) prescribe as the three year period the period beginning on 2nd October 2015 and ending on 1st October 2018 (regulation 2) and specify the meaning of the percentage of the tonnage tax fleet which is Community-flagged (regulation 3) for the purposes of paragraph 22C of Schedule 22 and to facilitate the making of this Order.

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