



Finance Act 2016

2016 CHAPTER 24

PART 6

APPRENTICESHIP LEVY

General

115 Tax agents: dishonest conduct

In Schedule 38 to FA 2012 (tax agents: dishonest conduct), in paragraph 37(1), after paragraph (l) insert—

“(la) apprenticeship levy,”.

116 Provisional collection of apprenticeship levy

In section 1 of the Provisional Collection of Taxes Act 1968 (temporary statutory effect of House of Commons resolutions), in subsection (1), after “diverted profits tax,” insert “the apprenticeship levy,”.

117 Crown application

This Part binds the Crown.

118 Charities which are “connected” with one another

- (1) Two charities are connected with one another for the purposes of section 102(1) if—
 - (a) they are connected with one another in accordance with section 993 of ITA 2007 (meaning of “connected persons”), and
 - (b) their purposes and activities are the same or substantially similar.
- (2) In the application of section 993 of ITA 2007 for the purposes of subsection (1)(a)—
 - (a) a charity which is a trust is to be treated as if it were a company (and accordingly a person), including in this subsection;

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- (b) a charity which is a trust has “control” of another person if the trustees (in their capacity as trustees of the charity) have, or any of them has, control of the person;
- (c) a person (other than a charity regulator) has “control” of a charity which is a trust if—
 - (i) the person is a trustee of the charity and some or all of the powers of the trustees of the charity could be exercised by the person acting alone or by the person acting together with any other persons who are trustees of the charity and who are connected with the person,
 - (ii) the person, alone or together with other persons, has power to appoint or remove a trustee of the charity, or
 - (iii) the person, alone or together with other persons, has any power of approval or direction in relation to the carrying out by the trustees of any of their functions.
- (3) For the purposes of section 102(1) a charity which is a trust is also connected with another charity which is a trust if at least half of the trustees of one of the charities are—
 - (a) trustees of the other charity,
 - (b) persons who are connected with persons who are trustees of the other charity, or
 - (c) a combination of both,
 and the charities' purposes and activities are the same or substantially similar.
- (4) In determining if a person is connected with another person for the purposes of subsection (2)(c)(i) or (3)(b), apply section 993 of ITA 2007 with the omission of subsection (3) of that section (and without the modifications in subsection (2) above).
- (5) If a charity (“A”) controls a company (“B”) which, apart from this subsection, would not be a charity—
 - (a) B is to be treated as if it were a charity for the purposes of this Part, and
 - (b) A and B are connected with one another for the purposes of section 102(1).
- (6) In subsection (5) “control” has the same meaning as in Part 10 of CTA 2010 (see sections 450 and 451 of that Act) (and a limited liability partnership is to be treated as a company for the purposes of that Part as applied by this subsection).
- (7) For this purpose, where under section 450 of that Act “C” is a limited liability partnership, subsection (3) of that section has effect as if before (a) there were inserted—
 - “(za) rights to a share of more than half the assets, or of more than half the income, of C,”.

119 Connection between charities: further provision

- (1) This section applies if—
 - (a) a charity (“A”) is connected with another charity (“B”) for the purposes of section 102(1), and
 - (b) B is connected with another charity (“C”) for the purposes of section 102(1).
- (2) A and C are also connected with one another for the purposes of section 102(1) (if that would not otherwise be the case).

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(3) In subsection (1)—

- (a) in paragraph (a) the reference to a charity being connected with another charity for the purposes of section 102(1) is to that charity being so connected by virtue of section 118 or this section, and
- (b) in paragraph (b) the reference to a charity being connected with another charity for the purposes of section 102(1) is to that charity being so connected by virtue of section 118.

120 General interpretation

(1) In this Part (except where the contrary is indicated, expressly or by implication), expressions which are also used in Part 1 of the Contributions and Benefits Act have the same meaning as in that Part.

(2) In this Part—

- “charity” has the meaning given by section 102(17) and (18);
- “the Commissioners” means the Commissioners for Her Majesty's Revenue and Customs;
- “company” has the meaning given by section 101(18);
- “the Contributions and Benefits Act” means the Social Security Contributions and Benefits Act 1992 or (as the case requires) the Social Security Contributions and Benefits (Northern Ireland) Act 1992;
- “HMRC” means Her Majesty's Revenue and Customs;
- “tax year” means the 12 months beginning with 6 April in 2017 or any subsequent year;
- “tribunal” means the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal.

121 Regulations

(1) Regulations under this Part—

- (a) may make different provision for different purposes;
- (b) may include incidental, consequential, supplementary or transitional provision.

(2) Regulations under this Part are to be made by statutory instrument.

(3) A statutory instrument containing regulations under this Part is subject to annulment in pursuance of a resolution of the House of Commons.

(4) Subsection (3) does not apply to a statutory instrument containing only regulations under section 113(16).

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)