

2023 No. 812

SOCIAL SECURITY

The National Insurance Contributions Act 2022 (Freeports and Investment Zones) (Consequential Amendments) Regulations 2023

<i>Made</i> - - - -	<i>17th July 2023</i>
<i>Laid before Parliament</i>	<i>18th July 2023</i>
<i>Coming into force</i> - -	<i>8th August 2023</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 1(5) and (6), 3(2) and 12(4) of the National Insurance Contributions Act 2022(a) and section 175(3) and (4) of the Social Security Contributions and Benefits Act 1992(b).

Citation and commencement

1. These Regulations may be cited as the National Insurance Contributions Act 2022 (Freeports and Investment Zones) (Consequential Amendments) Regulations 2023 and come into force on 8th August 2023.

Amendment of the National Insurance Contributions Act 2022 (Application of Part 1) Regulations 2022

2.—(1) The National Insurance Contributions Act 2022 (Application of Part 1) Regulations 2022(c) are amended as follows.

- (2) In the heading for Part 2, for “freeport” substitute “special tax site”.
- (3) In the heading for regulation 3, for “freeport tax sites” substitute “special tax sites”.
- (4) In regulation 4—
 - (a) in the heading, for “freeport conditions” substitute “applicable conditions”,
 - (b) in paragraph (1), for “(freeport conditions)” substitute “(applicable conditions)”, and
 - (c) in sub-paragraph (a), for “freeport tax site” substitute “special tax site”.

(a) 2022 c. 9; sections 1, 2, 3, 5, 12 and 13 were amended by paragraphs 20 to 27 of Schedule 23 to the Finance (No. 2) Act 2023 (c. 30) in consequence of sections 331 and 332 of that Act, which extended the power to designate special tax sites in freeports to investment zones.

(b) 1992 c. 4; section 175(4) was amended by paragraph 29(4) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).

(c) S.I. 2022/307.

Amendment of the Social Security Contributions (Freeports) Regulations 2022

3.—(1) The Social Security Contributions (Freeports) Regulations 2022^(a) are amended as follows.

- (2) In regulation 2—
 - (a) for “freeport condition” substitute “applicable condition”, and
 - (b) in the heading, for “freeport conditions” substitute “applicable conditions”.
- (3) In regulation 3—
 - (a) in sub-paragraph (b), for “freeport tax site” substitute “special tax site”, and
 - (b) in sub-paragraph (c), before “condition”, insert “applicable”.
- (4) In regulation 4—
 - (a) in paragraph (1)(b), for “freeport tax site” substitute “special tax site”, and
 - (b) in paragraph (1)(c), before “condition”, insert “applicable”.

Andrew Stephenson

Stuart Anderson

17th July 2023

Two of the Lords Commissioners of His Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Insurance Contributions Act 2022 (Application of Part 1) Regulations 2022 (S.I. 2022/307) and the Social Security Contributions (Freeports) Regulations 2022 (S.I. 2022/313). They make amendments in consequence of those made to the National Insurance Contributions Act 2022 (c. 9) (“NICA 2022”) by the Finance (No. 2) Act 2023 (c. 30), which extended the power to designate special tax sites (in section 113 of the Finance Act 2021 (c. 26)) to allow designation of such sites in or connected with both freeports and investment zones located in Great Britain.

Regulation 2 ensures that provisions on how employers claim the zero-rate of secondary National Insurance contributions (“NICs”) relief after year end in respect of mariners apply to special tax sites in both freeports and investment zones.

Regulation 3 ensures that provisions exempting employers from having to meet the condition at section 2(1)(d) of NICA 2022 to claim the zero-rate of secondary NICs relief apply to special tax sites in both freeports and investment zones. Those exemptions apply in respect of employees with disabilities, who are pregnant or who have given birth within the previous 52 weeks.

A Tax Information and Impact Note covering this instrument was published on 15th March 2023 and is available on the website at <https://www.gov.uk/government/publications/investment-zone-special-tax-sites/investment-zone-special-tax-sites-with-enhanced-tax-and-national-insurance-contributions-reliefs>. It remains an accurate summary of the impacts that apply to this instrument.

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(a) S.I. 2022/313.

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