



# Finance Act 2024

## 2024 CHAPTER 3

### PART 2

#### OTHER TAXES

##### *Stamp duty and stamp duty reserve tax*

#### **19 Growth market exemption: qualifying UK multilateral trading facilities etc**

(1) Section 99A of FA 1986 (meaning of “recognised growth market” etc) is amended as follows.

(2) In subsection (5)—

- (a) in the words before paragraph (a), after “recognised stock exchange” insert “or a qualifying UK multilateral trading facility”;
- (b) in paragraph (a), for “£170 million” substitute “£450 million”.

(3) In subsection (6), at the end insert “;

“UK multilateral trading facility” has the meaning given by Article 2.1.14A of [Regulation \(EU\) No. 600/2014](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of assimilated law.”

(4) After subsection (6) insert—

“(6A) For the purposes of subsection (5) a UK multilateral trading facility is “qualifying” if—

- (a) it is operated by an investment firm within the meaning given by article 3(1) of The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ([S.I. 2001/544](#)), and
- (b) the investment firm has permission under Part 4A of the Financial Services and Markets Act 2000 to carry on the regulated activity (within the meaning of that Act) of operating a multilateral trading facility.”

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- (5) The amendments made by this section are treated as having come into force on 1 January 2024.

## 20 Capital-raising arrangements etc

[Schedule 11](#) makes provision for and in connection with ensuring that it continues to be the case that—

- (a) no 1.5% charge to stamp duty or stamp duty reserve tax arises in relation to—
  - (i) issues of securities or stock, or
  - (ii) transfers of securities made in the course of capital-raising arrangements or qualifying listing arrangements, and
- (b) no charge to stamp duty arises in relation to the issue of bearer instruments.

### *Electricity generator levy*

## 21 New investment exemption

- (1) Part 5 of F(No.2)A 2023 (electricity generator levy) is amended as follows.
- (2) In section 280 (key concepts), in subsection (1), in the definition of “relevant” (as in relevant generating station)—
  - (a) omit the “and” after paragraph (a), and
  - (b) after paragraph (b) insert “, and
  - (c) to the extent it is not comprised of qualifying new generating plant (see [section 311A](#));”.
- (3) After section 311 insert—

### **“311A Meaning of “qualifying new generating plant”**

- (1) Generating plant is “qualifying new generating plant” if it is new generating plant commissioned as part of a qualifying project that meets the new investment condition.
- (2) The new investment condition is met in relation to a qualifying project if on 21 November 2023 it was reasonable to conclude, having regard to all of the circumstances, that there is a significant likelihood of the project not proceeding.
- (3) The Treasury may by regulations provide for cases in which qualifying projects are to be treated as meeting the new investment condition.
- (4) “Qualifying project” means a project to commission—
  - (a) new generating plant for—
    - (i) a new generating station, or
    - (ii) an existing generating station which (as a result of the project) is to be wholly or substantially comprised of new generating plant, or
  - (b) new generating plant that increases the generating capacity of an existing generating station.

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(5) Subsection (6) applies where new generating plant that increases the generating capacity of an existing generating station replaces existing generating plant.

(6) Only so much of the new generating plant as represents generating capacity in excess of the capacity of the generating plant it replaces is to be regarded as qualifying new generating plant.”

(4) In section 313 (definitions in this Part), in the table, at the appropriate place insert—

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“qualifying new generating plant	section 311A”.
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### *Pillar Two*

## **22 Ensuring consistency of Parts 3 and 4 of F(No.2)A 2023 with OECD rules etc**

[Schedule 12](#) makes amendments to F(No.2)A 2023 in relation to multinational top-up tax and in relation to domestic top-up tax.

### *Excise duty rates*

## **23 Rates of tobacco products duty**

(1) In Schedule 1 to TPDA 1979 (table of rates of tobacco products duty), for the Table substitute—

### “TABLE

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1 Cigarettes	An amount equal to the higher of— (a) 16.5% of the retail price plus £316.70 per thousand cigarettes, or (b) £422.80 per thousand cigarettes.
2 Cigars	£395.03 per kilogram
3 Hand-rolling tobacco	£412.32 per kilogram
4 Other smoking tobacco and chewing tobacco	£173.68 per kilogram
5 Tobacco for heating	£325.53 per kilogram”.

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(2) In consequence of the provision made by [subsection \(1\)](#), in Schedule 2 to the Travellers’ Allowances Order 1994 (which provides in certain circumstances for a simplified calculation of excise duty on goods brought into Great Britain)—

- in the entry relating to cigarettes, for “£393.45” substitute “£422.80”,
- in the entry relating to hand rolling tobacco, for “£351.03” substitute “£412.32”,
- in the entry relating to other smoking tobacco and chewing tobacco, for “£161.62” substitute “£173.68”,
- in the entry relating to cigars, for “£367.61” substitute “£395.03”,
- in the entry relating to cigarillos, for “£367.61” substitute “£395.03”, and

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- (f) in the entry relating to tobacco for heating, for “£90.88” substitute “£97.66”.
- (3) The amendments made by this section are treated as having come into force at 6pm on 22 November 2023.

## 24 Rates of vehicle excise duty

- (1) Schedule 1 to VERA 1994 (annual rates of vehicle excise duty) is amended as follows.
- (2) In paragraph 1 (general rate)—
- in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for “£325” substitute “£345”, and
  - in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£200” substitute “£210”.
- (3) In paragraph 1B (graduated rates for light passenger vehicles registered before 1 April 2017), for the Table substitute—

“CO2 Emissions Figure		Rate	
(1)	(2)	(3)	(4)
Exceeding	Not exceeding	Reduced rate	Standard Rate
g/km	g/km	£	£
100	110	10	20
110	120	25	35
120	130	150	160
130	140	180	190
140	150	200	210
150	165	245	255
165	175	295	305
175	185	325	335
185	200	375	385
200	225	405	415
225	255	700	710
255	—	725	735”.

- (4) In the sentence immediately following the Table in that paragraph, for paragraphs (a) and (b) substitute—
- in column (3), in the last two rows, “405” were substituted for “700” and “725”, and
  - in column (4), in the last two rows, “415” were substituted for “710” and “735”.
- (5) In paragraph 1GC (graduated rates for first licence for light passenger vehicles registered on or after 1 April 2017), for Table 1 (vehicles other than higher rate diesel vehicles) substitute—

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“CO2 Emissions Figure		Rate	
(1)	(2)	(3)	(4)
Exceeding	Not exceeding	Reduced rate	Standard Rate
g/km	g/km	£	£
0	50	0	10
50	75	20	30
75	90	125	135
90	100	165	175
100	110	185	195
110	130	210	220
130	150	260	270
150	170	670	680
170	190	1085	1095
190	225	1640	1650
225	255	2330	2340
255	—	2735	2745”.

(6) In that paragraph, for Table 2 (higher rate diesel vehicles) substitute—

“CO2 Emissions Figure		Rate
(1)	(2)	(3)
Exceeding	Not exceeding	Rate
g/km	g/km	£
0	50	30
50	75	135
75	90	175
90	100	195
100	110	220
110	130	270
130	150	680
150	170	1095
170	190	1650
190	225	2340
225	255	2745
255	—	2745”.

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- (7) In paragraph 1GD(1) (rates for any other licence for light passenger vehicles registered on or after 1 April 2017)—
- (a) in paragraph (a) (reduced rate), for “£170” substitute “£180”, and
  - (b) in paragraph (b) (standard rate), for “£180” substitute “£190”.
- (8) In paragraph 1GE(2) (rates for light passenger vehicles registered on or after 1 April 2017 with a price exceeding £40,000)—
- (a) in paragraph (a), for “£560” substitute “£590”, and
  - (b) in paragraph (b), for “£570” substitute “£600”.
- (9) In paragraph 1J(a) (rates for light goods vehicles that are not pre-2007 or post-2008 lower emission vans), for “£320” substitute “£335”.
- (10) In paragraph 2(1) (rates for motorcycles)—
- (a) in paragraph (a) (engine cylinder capacity not exceeding 150cc), for “£24” substitute “£25”,
  - (b) in paragraph (b) (motorbicycles with engine cylinder capacity exceeding 150cc but not exceeding 400cc), for “£52” substitute “£55”,
  - (c) in paragraph (c) (motorbicycles with engine cylinder capacity exceeding 400cc but not exceeding 600cc), for “£80” substitute “£84”, and
  - (d) in paragraph (d) (other cases), for “£111” substitute “£117”.
- (11) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2024.

## 25 Rates of air passenger duty

- (1) Section 30 of FA 1994 (air passenger duty: rates) is amended as follows.
- (2) In subsection (1B) (journeys ending in the United Kingdom)—
- (a) in paragraph (a), for “£6.50” substitute “£7”, and
  - (b) in paragraph (b), for “£13” substitute “£14”.
- (3) In subsection (2A) (long-haul journeys)—
- (a) in paragraph (a), for “£87” substitute “£88”, and
  - (b) in paragraph (b), for “£191” substitute “£194”.
- (4) In subsection (4A) (ultra-long haul journeys)—
- (a) in paragraph (a), for “£91” substitute “£92”, and
  - (b) in paragraph (b), for “£200” substitute “£202”.
- (5) In subsection (4E) (journeys on aircraft equipped to carry fewer than 19 passengers)—
- (a) in paragraph (aa), for “£574” substitute “£581”, and
  - (b) in paragraph (d), for “£601” substitute “£607”.
- (6) The amendments made by this section have effect in relation to the carriage of passengers beginning on or after 1 April 2024.

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### *Miscellaneous VAT and excise measures*

#### **26 Rebate on heavy oil and certain bioblends used for heating**

In Schedule 1A to HODA 1979 (excepted machines), in paragraph 8, in subparagraph (1)(e), for the words from “kerosene” to the end substitute “for fuel—

- “(i) heavy oil other than gas oil, or
- (ii) bioblend other than bioblend that is a mixture of biodiesel and gas oil.”

#### **27 Vehicle excise duty exemption for foreign vehicles**

After section 5 of VERA 1994 (exempt vehicles) insert—

##### **“5A Additional power to exempt foreign vehicles**

- (1) The Secretary of State may by regulations confer an exemption from vehicle excise duty in respect of a foreign vehicle.
- (2) The regulations may, for or in connection with conferring the exemption, amend subordinate legislation made under this Act or the Motor Vehicles (International Circulation) Act 1952.
- (3) The regulations may provide that the exemption of a foreign vehicle from vehicle excise duty is—
  - (a) subject to conditions;
  - (b) limited to a specified period.
- (4) Regulations under this section may make—
  - (a) provision which applies generally or for particular purposes;
  - (b) retrospective provision.
- (5) A provision of regulations under this section that has the effect of removing the exemption of a foreign vehicle from vehicle excise duty must not be made so as to have retrospective effect.
- (6) In this section—
  - “foreign vehicle” means a vehicle that is registered under the law of any territory outside the United Kingdom;
  - “specified” means specified in the regulations;
  - “subordinate legislation” means Orders in Council, orders and regulations (including any regulations made under an Order in Council).”

#### **28 Interpretation of VAT and excise law**

- (1) [This section](#) makes provision about how—
  - (a) the European Union (Withdrawal) Act 2018 (“EUWA 2018”), and
  - (b) the amendments made to that Act by the Retained EU Law (Revocation and Reform) Act 2023 (“REULA 2023”),are to apply for the purpose of interpreting enactments relating to value added tax or any duty of excise (“VAT and excise law”).

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- (2) Section 4 of EUWA 2018 (retained EU rights, powers, liabilities etc) continues to have effect (despite the provision made by section 2 of REULA 2023) for the purpose of interpreting VAT and excise law subject to the following exception.
- (3) The exception is that Articles 110 and 111 of the Treaty on the Functioning of the European Union (which relate to internal taxation on products) have no effect for that purpose.
- (4) Section 5(A1) to (A3) of EUWA 2018 (which are inserted by section 3 of REULA 2023 and which abolish the supremacy of EU law) have effect in relation to VAT and excise law as they have effect in relation to other domestic enactments but only so far as they relate to the disapplication or quashing of any enactment as a result of EU law (and, accordingly, the superseded provisions continue to have effect for the purpose of interpreting VAT and excise law).
- (5) Retained general principles of EU law—
  - (a) continue to be relevant (despite the provision made by section 4 of REULA 2023) for the purpose of interpreting VAT and excise law in the same way, and to the same extent, as they were relevant for that purpose before the coming into force of that section, but
  - (b) otherwise have effect for that purpose subject to the provision made by that Act (including, in particular, the amendments made by section 6 of that Act (role of courts)).
- (6) In [this section](#)—
  - (a) the reference to any duty of excise is to be read in accordance with section 49 of TCTA 2018,
  - (b) the reference to the superseded provisions is a reference to section 5(1) to (3) of EUWA 2018 as those subsections had effect immediately before the passing of REULA 2023, and
  - (c) the reference to retained general principles of EU law is to be read in accordance with EUWA 2018 as that Act had effect immediately before the passing of REULA 2023.
- (7) [This section](#) needs to be read with sections 42 and 47 of TCTA 2018 (which make other provision about EU law relating to VAT and excise law and which continue to have effect for the purpose mentioned in [subsection \(1\)](#) above).
- (8) This section is treated as having come into force on 1 January 2024.

### *Environmental taxes*

## **29 Rates of landfill tax**

- (1) Section 42 of FA 1996 (amount of landfill tax) is amended as follows.
- (2) In subsection (1)(a) (standard rate), for “£102.10” substitute “£103.70”.
- (3) In subsection (2) (reduced rate for certain disposals), in the words after paragraph (b) —
  - (a) for “£102.10” substitute “£103.70”, and
  - (b) for “£3.25” substitute “£3.30”.



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- (4) The amendments made by this section have effect in relation to disposals made (or treated as made) on or after 1 April 2024.

### **30 Rate of aggregates levy**

- (1) In section 16(4) of FA 2001 (rate of aggregates levy), for “£2” substitute “£2.03”.
- (2) The amendment made by this section has effect in relation to aggregate subjected to commercial exploitation on or after 1 April 2024.

### **31 Rate of plastic packaging tax**

- (1) In section 45(1) of FA 2021 (rate of plastic packaging tax), for “£210.82” substitute “£217.85”.
- (2) The amendment made by this section has effect in relation to packaging components produced in, or imported into, the United Kingdom on or after 1 April 2024.

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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. 9 para. 132(1) Sch. 9 para. 132 renumbered as Sch. 9 para. 132(1) by [S.I. 2024/356 reg. 4\(23\)\(a\)](#)
- Sch. 9 para. 125(1)(c) and word inserted by [S.I. 2024/356 reg. 4\(3\)\(b\)](#)
- Sch. 9 para. 125(3A) inserted by [S.I. 2024/356 reg. 4\(6\)](#)
- Sch. 9 para. 126(1)(c) inserted by [S.I. 2024/356 reg. 4\(9\)\(c\)](#)
- Sch. 9 para. 126(3A) inserted by [S.I. 2024/356 reg. 4\(10\)](#)
- Sch. 9 para. 127A and cross-heading inserted by [S.I. 2024/356 reg. 4\(12\)](#)
- Sch. 9 para. 128(6)(a)(zi) inserted by [S.I. 2024/356 reg. 4\(13\)](#)
- Sch. 9 para. 129(1)(c)(d) inserted by [S.I. 2024/356 reg. 4\(15\)\(b\)](#)
- Sch. 9 para. 129(2)(c) and word inserted by [S.I. 2024/356 reg. 4\(16\)\(b\)](#)
- Sch. 9 para. 130A and cross-heading inserted by [S.I. 2024/356 reg. 4\(21\)](#)
- Sch. 9 para. 132(2)-(5) inserted by [S.I. 2024/356 reg. 4\(23\)\(c\)](#)
- Sch. 9 para. 132A and cross-heading inserted by [S.I. 2024/356 reg. 4\(24\)](#)
- Sch. 9 para. 132(1) words inserted by [S.I. 2024/356 reg. 4\(23\)\(b\)](#)