



# Finance (No. 2) Act 2023

## 2023 CHAPTER 30

### PART 7

#### MISCELLANEOUS AND FINAL

##### *Freeports and investment zones*

#### **331 Designation of sites**

- (1) Section 113 of FA 2021 (designation of freeport tax sites) is amended as follows.
- (2) In subsection (2)(a) and (b), after “a freeport” insert “or an investment zone”.
- (3) In subsection (3), for “a “freeport tax site”” substitute “a “special tax site””.
- (4) For subsection (5) substitute—
  - “(5) For the purposes of this section any reference to a freeport or an investment zone is to an area which is identified as such in a document published by, or with the consent of, the Treasury for the purposes of this section (and not withdrawn).”
- (5) [Schedule 23](#) makes amendments in consequence of the provision made by this section.

#### **332 Sunset date for reliefs**

- (1) In section 61A of FA 2003 (relief from stamp duty land tax in case of transactions relating to land in designated sites), in subsection (3), for “30 September 2026” substitute “the applicable sunset date in relation to the special tax site concerned (as to which see [section 332\(4\)](#) and (5) of the Finance (No.2) Act 2023)”.
- (2) In section 45O of CAA 2001 (enhanced capital allowances in case of expenditure on plant or machinery for use in designated sites), in subsection (5), for “30 September 2026” substitute “the applicable sunset date in relation to the special tax site concerned (as to which see [section 332\(4\)](#) and (5) of F(No.2)A 2023)”.

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- (3) In Chapter 2A of Part 2A of CAA 2001 (enhanced structures and building allowances in case of buildings or structures in designated sites)—
- (a) in section 270BNA—
    - (i) in subsection (3)(b), for “30 September 2026” substitute “the applicable sunset date in relation to the special tax site concerned (as to which see [section 332\(4\)](#) and [\(5\)](#) of F(No.2)A 2023)”, and
    - (ii) in subsection (4)(b), for “30 September 2026” substitute “the applicable sunset date in relation to the special tax site concerned”, and
  - (b) in section 270BNB(3), for “30 September 2026” substitute “the applicable sunset date in relation to the special tax site concerned”.
- (4) For the purposes of section 61A of FA 2003 and sections 45O, 270BNA and 270BNB of CAA 2001 (“the sunset provisions”), the applicable sunset date in relation to a special tax site is—
- (a) 30 September 2026, or
  - (b) such later date as may be specified in relation to the site by regulations made by the Treasury.
- (5) The regulations—
- (a) may specify different dates for different descriptions of special tax sites, and
  - (b) may amend the sunset provisions.
- (6) [Schedule 23](#) makes amendments in consequence of the provision made by [this section](#).

#### *Administration*

### **333 Right to repayment of income tax to be inalienable**

- (1) A right of an individual to a repayment of income tax from HMRC may not be assigned.
- (2) Every assignment of a right of an individual to a repayment of income tax from HMRC, and every agreement to assign any such right, is void.
- (3) Subsection (2) has effect in relation to assignments and agreements to assign of which HMRC receives notice on or after 15 March 2023.
- (4) In the application of this section to Scotland the reference to assignment of a right is to be read as a reference to assignation, “assign” being construed accordingly.
- (5) In this section “HMRC” means His Majesty’s Revenue and Customs.

### **334 Late payment interest on value added tax**

- (1) In the Finance Act 2009, Sections 101 and 102 (Value Added Tax) (Late Payment Interest and Repayment Interest) (Exceptions and Consequential Amendments) Order 2022 ([S.I. 2022/1298](#)), in Part 2 (exceptions), before article 2 insert—

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#### **“1A Exception from section 101 of the Finance Act 2009 - late payment interest**

- (1) Section 101 of the Finance Act 2009 (late payment interest on sums due to HMRC) does not apply to annual accounting scheme instalments.
- (2) In paragraph (1) “annual accounting scheme instalment” means an amount payable to HMRC by virtue of regulation 50(2)(a) of the VAT Regulations.”
- (2) In Part 2 of Schedule 53 to FA 2009 (late payment interest start date), after paragraph 11 insert—

*“VAT due after excess payment or credit from HMRC*

- 11ZA (1) This paragraph applies to any amount of value added tax which is due and recoverable from a person by virtue of—
- (a) section 73(9) of VATA 1994, in relation to an amount assessed and notified to the person under subsection (2) of that section, or
  - (b) section 80C(1) of that Act.
- (2) The late payment interest start date in respect of that amount is the date on which HMRC paid or credited that amount to the person.”
- (3) Where, ignoring this subsection, the late payment interest start date in respect of an amount would, by virtue of paragraph 11ZA of Schedule 53 to FA 2009 (inserted by subsection (2)), be a date before 15 March 2023, the late payment interest start date in respect of that amount is instead 15 March 2023.
  - (4) The amendment made by subsection (1) is treated as having been made under section 101(2)(c) of FA 2009 (power to specify descriptions of amounts payable to HMRC that are not subject to late payment interest).
  - (5) This section is treated as having come into force on 15 March 2023.

#### **Commencement Information**

**II** S. 334 in force in accordance with s. 334(5)

#### **335 Penalties for failure to pay value added tax**

- (1) Paragraph 1 of Schedule 26 to FA 2021 (penalties for failure to pay tax) is amended in accordance with subsections (2) to (4).
- (2) The existing text becomes sub-paragraph (1).
- (3) In the table in that sub-paragraph relating to value added tax—
  - (a) in item 1, in the second column, for “(except an amount within item 2, 3, 4 or 5)” substitute “except an amount within item 3, 4 or 5, or that is an annual accounting scheme instalment”;
  - (b) omit item 2.
- (4) After that sub-paragraph insert—

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“(2) In the table relating to value added tax, “annual accounting scheme instalment” means an amount payable to HMRC by virtue of regulation 50(2)(a) of the Value Added Tax Regulations 1995 (S.I. 1995/2518).”

(5) The amendments made by this section are treated as always having had effect.

### **336 VAT credits: repayment interest due where evidence not provided**

(1) Paragraph 12E of Schedule 54 to FA 2009 (special provision as to amounts carrying repayment interest etc) is amended as follows.

(2) In sub-paragraph (1), in paragraph (b)—

- (a) for “4(1) or (1A)” substitute “4(1A)”;
- (b) omit “production of evidence and”.

(3) In sub-paragraph (2)—

- (a) in paragraph (a) omit “production of evidence or”;
- (b) in paragraph (b) omit “the required evidence or”.

(4) The amendments made by this section are to be treated as having come into force immediately after the coming into force of Schedule 29 to FA 2021 in accordance with regulation 2(2)(a) of The Finance Act 2009, Finance (No. 3) Act 2010 and Finance Act 2021 (Value Added Tax) (Interest) (Appointed Days) Regulations 2022 (S.I. 2022/1277).

### **337 Insurance premium tax: power to make regulations about notifications**

In Part 3 of FA 1994 (insurance premium tax), in section 74 (orders and regulations)—

(a) after subsection (6) insert—

“(6A) Regulations under this Part making provision as to the form and manner in which a notification is to be made, or as to the information to be contained in or provided with a notification, may make such provision by reference to a notice published by the Commissioners from time to time.”;

(b) in subsection (9), for “(7) and” substitute “(6A) to”.

### **338 Penalties for failure to make payments of plastic packaging tax on time**

(1) Schedule 56 to FA 2009 (penalty for failure to make payments on time) is amended as follows—

(a) in paragraph 3(1), after sub-paragraph (a) insert—

“(aza) a payment of tax falling within items 11AA or 11AB in the Table.”;

(b) in paragraph 8A(1), for “and 11A to” substitute “, 11A and 11B to”.

(2) The amendments made by this section have effect in relation to amounts of plastic packaging tax payable in respect of accounting periods commencing on or after 1 April 2023.

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### *Management of customs and excise*

#### **339 Approval of aerodromes**

(1) CEMA 1979 is amended as follows.

(2) After section 20(A) insert—

##### **“20B Approval of aerodromes**

(1) The Commissioners may approve an aerodrome for the purposes of the customs and excise Acts.

(2) In any case where they consider it would facilitate the administration, collection or enforcement of any duty of customs, the Commissioners may by regulations—

(a) specify conditions which must be met before an approval is granted, or

(b) specify other conditions which they may, in any particular case, require to be met before an approval is granted.

(3) In any other case, an approval has effect subject to such conditions and restrictions as the Commissioners think fit.

(4) The Commissioners may at any time for reasonable cause revoke or vary the terms of an approval.

(5) This section does not apply in relation to an aerodrome which is a customs and excise airport.”.

(3) Section 21 (control of movement of aircraft, etc into and out of the United Kingdom) is amended in accordance with subsections (4) to (7).

(4) In each of subsections (1), (2), (3)(a) and (b) and (4), for “customs and excise airport”, in each place it occurs, substitute “regulated aerodrome”.

(5) After subsection (5) insert—

“(5A) A person in control of an unregulated aerodrome must take reasonable steps to secure that no aircraft lands at, or departs from, the aerodrome in circumstances in which there would be a contravention of any of subsections (1) to (3).”

(6) In subsection (6), for “this section” substitute “subsections (1) to (4)”.

(7) After subsection (6) insert—

“(6A) For the purposes of this Act each of the following is a “regulated aerodrome”—

(a) a customs and excise airport, and

(b) an aerodrome approved under section 20B,

(and any other aerodrome is an “unregulated aerodrome”).”.

(8) In section 22 (approval of examination stations at customs and excise airports)—

(a) in the heading, for “customs and excise airports” substitute “regulated aerodromes”;

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(b) in subsection (1), for “customs and excise airport” substitute “regulated aerodrome”.

(9) In section 22A (examination stations), in each of subsections (1)(a), (1A) and (2), for “customs and excise airport” substitute “regulated aerodrome”.

### **340 Approved aerodromes: minor and consequential amendments**

(1) CEMA 1979 is amended in accordance with subsections (2) to (4).

(2) In section 1 (interpretation), in subsection (1), insert at the appropriate place—  
““regulated aerodrome” has the meaning given by section 21(6A);”.

(3) In each of the following provisions, for “customs and excise airport” substitute “regulated aerodrome”—

- (a) in section 5(5) (time of importation, exportation, etc);
- (b) in section 23(1)(a) (control of movement of hovercraft);
- (c) in section 30(1)(a) and (b) (control of movement of uncleared goods within or between port or airport and other places);
- (d) in section 34(1)(a) and (b) (power to prevent flight of aircraft or departure of railway vehicles);
- (e) in section 42(1)(a) (power to regulate unloading, removal, etc of imported goods);
- (f) in section 164(4)(d) (power to search persons).

(4) In section 172 (regulations), in subsection (3), after “20,” insert “20B,”.

(5) In Schedule 5 to FA 1994 (decisions subject to review and appeal), in paragraph 2(1)—

- (a) in paragraph (a)—
  - (i) for “section 20, 22 or 25 (approved wharf, examination station or temporary storage facility)” substitute “section 20, 20B, 22 or 25 (approved wharf, approved aerodrome, examination station or temporary storage facility)”;
  - (ii) after “subsection (1A)(a) of section 20, 22 or 25” insert “, or subsection (2)(a) of section 20B,”;
  - (iii) for “subsection (1A)(b) of that section” substitute “subsection (1A)(b) of section 20, 22 or 25 or subsection (2)(b) of section 20B”;
- (b) after paragraph (a) insert—
  - “(aa) any decision as to whether or not approval of an aerodrome under section 20B is to be given or withdrawn, or as to the conditions or restrictions under section 20B(3) subject to which any such approval is given;”.

(6) In section 26 of FA 2003 (penalty for contravention of a relevant rule), in subsection (5A), after “section 20(1A),” insert “20B(2),”.

(7) In section 18 of the Customs and Excise Duties (General Reliefs) Act 1979 (interpretation), in the list of expressions in subsection (2), omit—  
““customs and excise airport””.

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### 341 Temporary approvals etc

- (1) Section 16B of FA 1994 (temporary approvals etc pending review or appeal: process) is amended as follows.
- (2) In subsection (3), for paragraph (b) substitute—
- “(b) expires—
- (i) on the expiry day determined in accordance with subsection (4), or
- (ii) if HMRC are satisfied that it is appropriate in all the circumstances, on a later day determined by HMRC, and”.
- (3) In subsection (4), for “The day on which a temporary approval expires is” substitute “For the purposes of subsection (3)(b)(i), the expiry day in relation to a temporary approval is”.

### Conditionality

### 342 Licensing authorities: requirements to give or obtain tax information

- (1) Schedule 33 to FA 2021 (licensing authorities: requirements to give or obtain tax information) is amended as follows.
- (2) The table in paragraph 1(2) is amended in accordance with subsections (3) to (8).
- (3) After the entry for a licence under section 51 of LG(MP)A 1976 insert—

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“A taxi driver’s licence (including a temporary licence) under section 13 of CG(S)A 1982	Driving a taxi (Scotland)	A licensing authority (within the meaning of CG(S)A 1982)	1
A private hire car driver’s licence (including a temporary licence) under section 13 of CG(S)A 1982	Driving a private hire car (Scotland)	A licensing authority (within the meaning of CG(S)A 1982)	1”

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- (4) After the entry for a licence under section 13 of PHV(L)A 1998 insert—

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“A licence under section 23 of TA(NI) 2008	Driving a taxi (Northern Ireland)	The Department for Infrastructure in Northern Ireland	1”
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- (5) After the entry for a licence under section 55 of LG(MP)A 1976 insert—

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“A licence (including a temporary licence) under Part 1 of CG(S)A 1982 for the activity specified in	Use of premises as booking office for taxis or private hire cars (Scotland)	A licensing authority (within the meaning of CG(S)A 1982)	2”
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article 2(2) of LBOO  
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(6) After the entry for a licence under section 3 of PHV(L)A 1998 insert—

“A metal dealer’s licence (including a temporary licence) under section 28 of CG(S)A 1982	Carrying on business as a metal dealer (Scotland)	A licensing authority (within the meaning of CG(S)A 1982)	3”
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(7) After the entry for a site licence under SMDA 2013 insert—

“An itinerant metal dealer’s licence (including a temporary licence) under section 32 of CG(S)A 1982	Carrying on business as an itinerant metal dealer (Scotland)	A licensing authority (within the meaning of CG(S)A 1982)	4”
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(8) At the end of the second column of each of the following entries insert “(England and Wales)”—

- (a) the entry for a licence under section 46 of TPCA 1847;
- (b) the entry for a licence under section 51 of LG(MP)A 1976;
- (c) the entry for a licence under section 55 of LG(MP)A 1976;
- (d) the entry for a site licence under SMDA 2013;
- (e) the entry for a collector’s licence under SMDA 2013.

(9) In paragraph 1(3), at the appropriate places, insert the following definitions—

- ““CG(S)A 1982” means the Civic Government (Scotland) Act 1982;”  
 ““LBOO 2009” means the Civic Government (Scotland) Act 1982 (Licensing of Booking Offices) Order 2009 (S.S.I. 2009/145);”  
 ““TA(NI) 2008” means the [Taxis Act \(Northern Ireland\) 2008 \(c. 4 \(N.I.\)\)](#);

(10) The amendments made by this section have effect in relation to applications made on or after 2 October 2023.

### 343 Section 342: consequential amendments

(1) The Civic Government (Scotland) Act 1982 is amended as follows.

(2) In section 3 (discharge of functions of licensing authorities)—

- (a) in subsection (1)(a), for “date on which the application was made” substitute “relevant date”;
- (b) after subsection (1) insert—

“(1A) In subsection (1) “the relevant date” means—

- (a) the date on which the application is made, or
- (b) if, on that date, the licensing authority is prevented from considering the application by paragraph 2(2) or 3(2) of Schedule 33 to the Finance Act 2021 (which contain requirements to be complied with before applications may be



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considered), the date on which the licensing authority ceases to be so prevented.”

(3) Paragraph 7 of Schedule 1 (temporary licences) is amended in accordance with subsections (4) and (5).

(4) In sub-paragraph (6), before paragraph (a) insert—

“(za) where—

(i) at any time after the application for the licence under paragraph 1 is made, the licensing authority requests the applicant to give it further information for the purpose of enabling it to make a request, or make a further request, under paragraph 3(2)(a) of Schedule 33 to the Finance Act 2021 (request for confirmation of completed tax check) in relation to the application, and

(ii) at the end of the relevant period, the licensing authority continues to be prevented from considering the application by paragraph 3(2) of that Schedule to that Act,

the end of the relevant period; or”.

(5) After sub-paragraph (6) insert—

“(6A) In sub-paragraph (6)(za) “the relevant period” means—

(a) the period of 7 days beginning with the day on which the request under sub-paragraph (6)(za)(i) is made, or

(b) if the final day of that period is earlier than the day on which (disregarding sub-paragraph (6)) the temporary licence expires, the period ending with that later day.”

(6) Paragraph 8 of Schedule 1 (duration of licences) is amended in accordance with subsections (7) and (8).

(7) In sub-paragraph (6), before paragraph (a) insert—

“(za) where—

(i) at any time after the application is made, the licensing authority requests the applicant to give it further information for the purpose of enabling it to make a request, or make a further request, under paragraph 3(2)(a) of Schedule 33 to the Finance Act 2021 (request for confirmation of completed tax check) in relation to the application, and

(ii) at the end of the relevant period, the licensing authority continues to be prevented from considering the application by paragraph 3(2) of that Schedule to that Act,

the end of the relevant period; or”.

(8) After sub-paragraph (6) insert—

“(6A) In sub-paragraph (6)(za) “the relevant period” means—

(a) the period of 28 days beginning with the day on which the request under sub-paragraph (6)(za)(i) is made, or

(b) if the final day of that period is earlier than the day on which (disregarding sub-paragraphs (4) and (5)) the licence expires, the period ending with that later day.”

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*Charities and community amateur sports clubs*

**344 Definition of “charity” restricted to UK charities**

- (1) In Part 1 of Schedule 6 to FA 2010 (definition of “charity” etc), in paragraph 2 (jurisdiction condition)—
- (a) in sub-paragraph (1) omit paragraph (b) (and the “or” before it);
  - (b) omit sub-paragraphs (3) to (5).
- (2) In relation to a body of persons or trust that has asserted its status as a charity, the amendments made by this section have effect—
- (a) for the purposes of income tax, for the tax year 2024-25 and subsequent tax years;
  - (b) for the purposes of capital gains tax, in relation to disposals made on or after 6 April 2024;
  - (c) for the purposes of corporation tax, in relation to accounting periods beginning on or after 1 April 2024;
  - (d) for the purposes of value added tax, in relation to supplies made, and acquisitions and importations taking place, on or after 1 April 2024;
  - (e) for the purposes of inheritance tax, in relation to transfers of value made on or after 1 April 2024;
  - (f) for the purposes of stamp duty, in relation to any instrument executed on or after 1 April 2024;
  - (g) for the purposes of stamp duty land tax, in relation to any land transaction the effective date of which is on or after 1 April 2024;
  - (h) for the purposes of stamp duty reserve tax, in relation to any agreement to transfer securities in respect of which the relevant day (within the meaning of section 87(2) of FA 1986) is or is after 1 April 2024;
  - (i) for the purposes of annual tax on enveloped dwellings, for the chargeable period beginning with 1 April 2024 and subsequent chargeable periods;
  - (j) for the purposes of diverted profits tax, in relation to accounting periods beginning on or after 1 April 2024.
- (3) Notwithstanding subsection (2)(g), the amendments made by this section do not have effect for the purposes of stamp duty land tax in relation to a transaction entered into by a body of persons or trust that has asserted its status as a charity if—
- (a) the transaction is effected in pursuance of a contract entered into and substantially performed before 1 April 2024, or
  - (b) the transaction—
    - (i) is effected in pursuance of a contract entered into before 15 March 2023, and
    - (ii) is not excluded for the purposes of this paragraph by subsection (6).
- (4) In relation to a body of persons or trust that has not asserted its status as a charity, the amendments made by this section have effect—
- (a) for the purposes of income tax—
    - (i) for the tax year 2022-23 so far as it falls on or after 15 March 2023, and
    - (ii) for subsequent tax years;

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- (b) for the purposes of capital gains tax, in relation to disposals made on or after 15 March 2023;
  - (c) for the purposes of corporation tax, in relation to accounting periods beginning on or after 15 March 2023;
  - (d) for the purposes of value added tax, in relation to supplies made, and acquisitions and importations taking place, on or after 15 March 2023;
  - (e) for the purposes of inheritance tax, in relation to transfers of value made on or after 15 March 2023;
  - (f) for the purposes of stamp duty, in relation to any instrument executed on or after 15 March 2023;
  - (g) for the purposes of stamp duty land tax, in relation to any land transaction the effective date of which is on or after 15 March 2023;
  - (h) for the purposes of stamp duty reserve tax, in relation to any agreement to transfer securities in respect of which the relevant day (within the meaning of section 87(2) of FA 1986) is or is after 15 March 2023;
  - (i) for the purposes of annual tax on enveloped dwellings—
    - (i) for the chargeable period beginning with 1 April 2022 so far as it falls on or after 15 March 2023, and
    - (ii) for subsequent chargeable periods;
  - (j) for the purposes of diverted profits tax, in relation to accounting periods beginning on or after 15 March 2023.
- (5) Notwithstanding subsection (4)(g), the amendments made by this section do not have effect for the purposes of stamp duty land tax in relation to a transaction entered into by a body of persons or trust that has not asserted its status as a charity if—
- (a) the transaction is effected in pursuance of a contract entered into and substantially performed before 15 March 2023, or
  - (b) the transaction—
    - (i) is effected in pursuance of a contract entered into before that date, and
    - (ii) is not excluded for the purposes of this paragraph by subsection (6).
- (6) A transaction is excluded for the purposes of subsection (3)(b) or (5)(b) if—
- (a) there is any variation of the contract, or assignment of rights under the contract, on or after 15 March 2023,
  - (b) the transaction is effected in consequence of the exercise on or after that date of any option, right of pre-emption or similar right, or
  - (c) on or after that date there is an assignment, subsale or other transaction relating to the whole or part of the subject-matter of the contract as a result of which a person other than the purchaser under the contract becomes entitled to call for a conveyance.
- (7) If a company has an accounting period (“the straddling accounting period”) that begins before a commencement date and ends on or after that date—
- (a) the part of the straddling accounting period that falls before that date, and
  - (b) the part of the straddling accounting period that falls on or after that date,
- are to be treated for relevant purposes as separate accounting periods.
- (8) In subsection (7)—
- “commencement date” means the date mentioned in subsection (2)(c) or (4)(c);

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“relevant purposes” means the purposes of determining the company’s liability to any charge to a tax mentioned in subsection (2) or (4), or eligibility for any relief relating to such a tax, that is affected by the company’s status as a charity.

- (9) An apportionment to different periods which falls to be made as a result of subsection (4)(a)(i) or (i)(i) is to be made on a time basis according to the respective length of the periods.

For the corresponding rule applying to apportionments falling to be made as a result of subsection (7), see section 1172 of CTA 2010.

- (10) For the purposes of this section a body of persons or trust has “asserted its status as a charity” if—
- (a) immediately before 15 March 2023 it falls within the definition of “charity” in Part 1 of Schedule 6 to FA 2010, and
  - (b) at any time before that date, it has (under any enactment) made a valid claim to His Majesty’s Revenue and Customs in reliance on its status as a charity.
- (11) The amendments made by this section are to be ignored in determining—
- (a) whether a person who, immediately before 15 March 2023, owns one or more shares forming the ordinary share capital of a UK REIT is, at any later time, an institutional investor in relation to those shares;
  - (b) whether a person who, immediately before 15 March 2023, is a unit holder in an exempt unauthorised unit trust is, at any later time, an eligible investor in relation to those units;
  - (c) whether a person who, immediately before 15 March 2023, holds a relevant interest in—
    - (i) a QAHC, or
    - (ii) a company that has made an entry notification,
 is, at any later time, a relevant qualifying investor in relation to that interest.
- (12) In subsection (11)—
- (a) expressions used in paragraph (a) have the same meaning as in Part 12 of CTA 2010 (real estate investment trusts);
  - (b) expressions used in paragraph (b) have the same meaning as in the Unauthorised Unit Trusts (Tax) Regulations 2013 (S.I. 2013/2819);
  - (c) expressions used in paragraph (c), have the same meaning as in Schedule 2 to FA 2022 (qualifying asset holding companies).
- (13) The following regulations were made under a power contained in paragraph 2(3) to (5) of Schedule 6 to FA 2010 and are therefore revoked by virtue of subsection (1)(b)—
- (a) the Taxes (Definition of Charity) (Relevant Territories) Regulations 2010 (S.I. 2010/1904);
  - (b) the Taxes (Definition of Charity) (Relevant Territories) (Amendment) Regulations 2014 (S.I. 2014/1807).

### **345 Definition of “community amateur sports club” restricted to UK clubs**

- (1) In section 661A of CTA 2010 (community amateur sports clubs: the location condition)—
- (a) in subsection (1)—

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*Status: Point in time view as at 01/08/2023.*

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- (i) in paragraph (a), omit “or a relevant territory”;
    - (ii) in paragraph (b), omit “or are all located in a single relevant territory”;
  - (b) omit subsection (2).
- (2) In relation to a club that has asserted its status as a CASC, the amendments made by this section have effect in relation to accounting periods beginning on or after 1 April 2024.
- (3) In relation to a club that has not asserted its status as a CASC, the amendments made by this section have effect in relation to accounting periods beginning on or after 15 March 2023.
- (4) If a club has an accounting period (“the straddling accounting period”) that begins before a commencement date and ends on or after that date—
- (a) the part of the straddling accounting period that falls before that date, and
  - (b) the part of the straddling accounting period that falls on or after that date,
- are to be treated for relevant purposes as separate accounting periods.
- (5) In subsection (4)—
- “commencement date” means the date mentioned in subsection (2) or (3);
  - “relevant purposes” means the purposes of determining the club’s liability to any charge to tax, or eligibility for any tax relief, that is affected by the club’s status as a CASC.
- (6) For the purposes of this section a club has “asserted its status as a CASC” if, immediately before 15 March 2023—
- (a) it is registered as a community amateur sports club under section 658 of CTA 2010, or
  - (b) it is not so registered but is entitled to be so in accordance with that section and has made an application for registration under subsection (2) of that section.

### *Homes for Ukraine Sponsorship Scheme*

## **346 Exemptions from tax**

- (1) [Schedule 24](#) makes provision about the Homes for Ukraine Sponsorship Scheme in relation to—
- (a) income tax
  - (b) corporation tax;
  - (c) annual tax on enveloped dwellings;
  - (d) stamp duty land tax.
- (2) In [this section](#) and in [Schedule 24](#), “the Homes for Ukraine Sponsorship Scheme” means the scheme contained in paragraphs UKR 11.1 to UKR 20.2 of Appendix Ukraine Scheme to the immigration rules (within the meaning of the Immigration Act 1971).

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*Status: Point in time view as at 01/08/2023.*

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### *Office of Tax Simplification*

#### **347 Abolition of the Office of Tax Simplification**

- (1) The Office of Tax Simplification is abolished.
- (2) The amendments in [subsections \(3\) to \(8\)](#) are made in consequence of [subsection \(1\)](#).
- (3) In the House of Commons Disqualification Act 1975, in Part 2 of Schedule 1 (bodies of which all members are disqualified) omit the entry for the Office of Tax Simplification.
- (4) In the Northern Ireland Assembly Disqualification Act 1975, in Part 2 of Schedule 1 (bodies of which all members are disqualified) omit the entry for the Office of Tax Simplification.
- (5) In the Freedom of Information Act 2000, in Part 6 of Schedule 1 (other public bodies and offices: general) omit the entry for the Office of Tax Simplification.
- (6) In the Equality Act 2010, in Part 1 of Schedule 19 (public authorities: general), under the heading “industry, business, finance etc” omit the entry for the Office of Tax Simplification.
- (7) In FA 2016 omit Part 12 and Schedule 25 (Office of Tax Simplification).
- (8) In FA 2022 omit section 102 (increase in membership of the OTS) and the italic heading before it.

### *The dormant assets scheme*

#### **348 Pension benefits and inheritance tax**

- (1) In FA 2004, in Part 4 (pension schemes etc)—
  - (a) in section 150 (meaning of “pension scheme”), in subsection (5A), for “274B” substitute “274ZA”;
  - (b) in section 251 (information: general requirements), after subsection (5) insert—
 

“(5A) Regulations under this section may make different provision for different cases.”;
  - (c) section 274B (National Employment Savings Trust and Master Trust schemes) (which appears under the italic heading “National Employment Savings Trust and Master Trust schemes” at the beginning of Chapter 8 and before section 274A) is renumbered section 274ZA;
  - (d) after section 274ZA (as renumbered by paragraph (c)) insert—

### *“Dormant pension benefits*

#### **274ZB Treatment of pension benefits reclaimed from reclaim fund etc**

- (1) Subsection (2) applies where an amount is paid out of an authorised reclaim fund in respect of transferred dormant eligible pension benefits.

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*Status: Point in time view as at 01/08/2023.*

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- (2) For the purposes of income tax and this Part, the amount paid out is to be treated as having been paid as a consequence of a right that is the same as the original rights, acquired as the original rights were acquired and having the same characteristics as those rights.
- (3) The Commissioners for His Majesty's Revenue and Customs may make regulations in relation to cases where—
  - (a) an amount is paid out of an authorised reclaim fund in respect of transferred dormant eligible pension benefits,
  - (b) the registered pension scheme from which the benefits were transferred was wound up before the payment of that amount, and
  - (c) the payment, or part of the payment, is treated (by virtue of subsection (2)) as being the payment by a registered pension scheme of—
    - (i) a pension protection lump sum death benefit,
    - (ii) an annuity protection lump sum death benefit,
    - (iii) a drawdown pension fund lump sum death benefit, or
    - (iv) a flexi-access drawdown fund lump sum death benefit.
- (4) Regulations under subsection (3) may provide that a person specified in the regulations—
  - (a) is to be treated as the scheme administrator for the purposes of the operation of section 206;
  - (b) is responsible for the discharge of all obligations imposed on the scheme administrator by or under this Part so far as related to the liability imposed by that section to pay tax in respect of it.
- (5) Regulations under subsection (3) may—
  - (a) make specific or general provision;
  - (b) make different provision for different cases.
- (6) No liability to income tax arises in respect of income derived from investments or deposits—
  - (a) that are held by an authorised reclaim fund, and
  - (b) that relate to an amount transferred to the authorised reclaim fund in respect of transferred dormant eligible pension benefits.
- (7) For the purposes of subsection (6), it does not matter when liability to income tax on income within that subsection would otherwise arise.
- (8) Subsection (2) of section 186 (income) applies for the purposes of subsection (6) of this section as it applies for the purposes of subsection (1) of that section.
- (9) For the purposes of this section—

“authorised reclaim fund” has the same meaning as in the Dormant Assets Acts 2008 to 2022;

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“the original rights” are a person’s rights against the scheme administrator of a registered pension scheme, in respect of the benefits subsequently transferred by the scheme administrator to an authorised reclaim fund, immediately before the transfer; “transferred dormant eligible pension benefits” means dormant eligible pensions benefits owing to a person that have been transferred by the scheme administrator of a registered pension scheme to an authorised reclaim fund with the result that section 5 of the Dormant Assets Act 2022 (transfer of eligible pension benefits to reclaim fund) applies (and references to benefits being transferred are to be construed accordingly).”

- (2) In the Inheritance Tax Act 1984, in Chapter 5 of Part 5 (miscellaneous reliefs), after section 159 insert—

*“Dormant assets*

**159A Treatment of dormant assets**

- (1) This section applies where there is a transfer in respect of a dormant asset.
- (2) There is a transfer in respect of a dormant asset where an amount is transferred by an institution in respect of an asset—
- (a) to an authorised reclaim fund, with the result that section 1 of the 2008 Act or section 2, 5, 8, 12 or 14 of the 2022 Act applies in relation to the asset, or
  - (b) to an authorised reclaim fund and one or more charities, with the result that section 2 of the 2008 Act applies in relation to the asset.
- (3) For the purposes of this Act, rights which a person (“P”) acquires under Part 1 of the 2008 Act or Part 1 or sections 22 to 25 of the 2022 Act (as the case may be) after the transfer are to be treated as the same asset as the original rights, acquired as the original rights were acquired and having the same characteristics as those rights.
- (4) For the purposes of this section—
- “the 2008 Act” means the Dormant Bank and Building Society Accounts Act 2008;
- “the 2022 Act” means the Dormant Assets Act 2022;
- “asset” means an asset within the scope of the dormant assets scheme (see section 1(6) of the 2022 Act);
- “authorised reclaim fund” has the same meaning as in the Dormant Assets Acts 2008 to 2022;
- “the original rights” are—
- (a) in a case where—
    - (i) section 8 of the 2022 Act (investment assets) applies in relation to the asset and there has been a conversion as mentioned in section 9(3)(a) of that Act in connection with the transfer, or
    - (ii) section 14 of the 2022 Act (securities assets) applies in relation to the asset and there has been a conversion as



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mentioned in section 15(1)(a) of that Act in connection with the transfer,

P's rights against the institution immediately before that conversion;

(b) in any other case, P's rights against the institution immediately before the transfer.”

- (3) The amendments made by [subsection \(1\)](#) come into force on the day on which this Act is passed.
- (4) The amendment made by [subsection \(2\)](#) is treated as having come into force on 6 June 2022.

*Other*

### **349 International arrangements for exchanging information**

- (1) The Treasury may make regulations for, or in connection with, giving effect to international tax compliance arrangements to any extent, subject to such exceptions or modifications as the Treasury consider appropriate.
- (2) For the purposes of [this section](#), “international tax compliance arrangements” means any provision of—
- (a) arrangements specified in an Order in Council made under section 173 of FA 2006 (international tax enforcement arrangements);
  - (b) the agreement reached between the Government of the United Kingdom and the Government of the United States of America to improve international tax compliance and to implement the provisions commonly known as the Foreign Account Tax Compliance Act in the enactment of the United States of America called the Hiring Incentives to Restore Employment Act, signed on 12 September 2012;
  - (c) the guidance on country-by-country reporting contained in the Organisation for Economic Co-operation and Development (“OECD”) Guidance on Transfer Pricing Documentation and Country-by-Country Reporting, published in 2014;
  - (d) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters, published in 2014;
  - (e) the OECD Model Mandatory Disclosure Rules for CRS Avoidance Arrangements and Opaque Offshore Structures, published in 2018;
  - (f) the OECD Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy, published on 3 July 2020;
  - (g) any other arrangements or agreements made in relation to any territory or territories outside the United Kingdom, or documents related to those arrangements or agreements, which make provision corresponding or similar to that made by any arrangements, agreement or document mentioned in any of [paragraphs \(a\) to \(f\)](#).
- (3) A reference in [subsection \(2\)](#) to arrangements, an agreement or another document includes a reference to the arrangements, agreement or other document as modified, supplemented or replaced from time to time.
- (4) Regulations under [subsection \(1\)](#) may, in particular—

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- (a) require persons to disclose information of a specified description, including information about arrangements that they participated in before (as well as after) the coming into force of this section;
  - (b) require the information to be disclosed—
    - (i) to HMRC, specified persons or persons of a specified description,
    - (ii) at specified times,
    - (iii) in relation to specified periods of time, and
    - (iv) in a specified form and manner;
  - (c) impose other obligations on persons in connection with requirements to disclose information, including obligations to provide information to, and obtain information from, other specified persons;
  - (d) provide for the imposition of penalties in respect of a contravention of, or non-compliance with, a requirement of the regulations, including provision about appeals in relation to the imposition of a penalty;
  - (e) provide that a reference in the regulations to any international tax compliance arrangements is to be read as a reference to those arrangements as modified, supplemented or replaced from time to time;
- (and for the purposes of [this subsection](#) “specified” means specified by or under the regulations).
- (5) The regulations may—
- (a) make different provision for different purposes;
  - (b) make provision by reference to things specified in a notice published by the Commissioners (as revised or replaced from time to time) in accordance with the regulations;
  - (c) allow any requirement, obligation or other provision that may be imposed or made by reference to subsection (4)(a) to (c) to be made by specific or general direction given by the Commissioners;
  - (d) make provision under which the Commissioners or other persons may exercise discretions;
  - (e) make consequential, supplementary, incidental, transitional or saving provision (including provision amending, repealing or revoking an enactment whenever passed or made).
- (6) For the purposes of subsections (4) and (5)—
- “arrangements” means any scheme, transaction or series of transactions;
  - “the Commissioners” means the Commissioners for His Majesty’s Revenue and Customs;
  - “HMRC” means His Majesty’s Revenue and Customs;
  - “participate”, in relation to arrangements, includes being involved in, or facilitating, the arrangements in any way (for example, by receiving any benefit from them or by designing, marketing or providing services in connection with them, or arranging for others to do so).
- (7) The Treasury may by regulations amend the list of international tax compliance arrangements in [subsection \(2\)](#) by—
- (a) adding an entry for any arrangements, agreement or document, by or under which provision is made about the exchange of information;
  - (b) altering or removing an entry.
- (8) Regulations under [this section](#) are to be made by statutory instrument.

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- (9) A statutory instrument containing (whether alone or with other provision) regulations made under [subsection \(7\)](#) may not be made unless a draft of the instrument has been laid before, and approved by resolution of, the House of Commons.
- (10) A statutory instrument containing any other regulations under [this section](#) is subject to annulment in pursuance of a resolution of the House of Commons.
- (11) The following provisions are repealed—
  - (a) section 222 of FA 2013;
  - (b) section 122 of FA 2015;
  - (c) section 84 of FA 2019;
  - (d) section 129 of FA 2021.
- (12) Regulations made under any provision listed in [subsection \(11\)](#) are to be treated as if they were made under [this section](#) (so far as that would not otherwise be the case).

### **350 Payment of unclaimed money in court into the Consolidated Fund**

In section 38(8) of the Administration of Justice Act 1982 (management and investment of funds in court: rules), after paragraph (f) (but before the “and” at the end) insert—

- “(fa) provide for the payment of a sum of money in court into the Consolidated Fund if—
- (i) the payment is in respect of funds in court which have been vested in the Accountant General under subsection (1) for at least 30 years, and
  - (ii) the conditions (if any) prescribed by the rules are met.”

### **351 Financial sanctions regulations: prohibition on certain payments by HMRC**

- (1) HMRC may not, at any time on or after 15 March 2023, make a payment (whether directly or indirectly) to or for the benefit of a person who is, at that time, a designated person for the purposes of financial sanctions regulations.
- (2) The reference in subsection (1) to a payment—
  - (a) is a reference to a payment, including a repayment or refund, that HMRC would (apart from that subsection) be required or permitted, by or under any enactment, to make to the person, and
  - (b) includes a reference to a payment that HMRC would (apart from that subsection) be required or permitted to make to the person by way of setting off the amount payable (as a credit) against a liability of the person to pay an amount to HMRC (as a debit).
- (3) The reference in subsection (1) to a payment being made (directly or indirectly) to or for the benefit of a person (“P”) includes the payment being made to another person who is owned or controlled (directly or indirectly) by P.
- (4) Nothing in this section prevents the accrual of interest, in accordance with any enactment, on a withheld amount.
- (5) But no other supplementary amount is payable by HMRC under section 79(1) of VATA 1994 (repayment supplement in respect of certain delayed payments or refunds), or any other enactment, by reference to an amount that is (or was) a withheld

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amount not being paid to a person on or before a particular date (including a date falling before 15 March 2023).

- (6) Provision made by or under section 15 of SAMLA 2018 (exceptions and licences), and by section 44 of that Act (protection for acts done for the purposes of compliance), applies (with the necessary modifications) for the purposes of the prohibition under subsection (1) as it applies for the purposes of prohibitions under financial sanctions regulations.
- (7) The Treasury may by regulations made by statutory instrument—
  - (a) specify further exceptions to the prohibition in subsection (1);
  - (b) make such other provision as they consider appropriate for the purposes of, or for purposes connected to, any provision made by this section.
- (8) A statutory instrument containing regulations under subsection (7) is subject to annulment in pursuance of a resolution of the House of Commons.
- (9) References in [this section](#) to “financial sanctions regulations” are references to regulations made (whether before or after the passing of this Act) under section 1 of SAMLA 2018, so far as they make provision for or in connection with imposing financial sanctions (within the meaning of section 3 of that Act).
- (10) In [this section](#)—
  - “designated person” has the meaning given by section 9 of SAMLA 2018;
  - “enactment” means any provision made by or under an Act (whether before or after the passing of this Act);
  - “HMRC” means His Majesty’s Revenue and Customs;
  - “SAMLA 2018” means the Sanctions and Anti-Money Laundering Act 2018;
  - “a withheld amount” means an amount that HMRC would, apart from this section, be required or permitted to pay to a person.

## **352 Communications data**

- (1) Section 12(2) of the Investigatory Powers Act 2016 (restriction of powers to obtain communications data) does not apply to a power falling within [subsection \(2\)](#).
- (2) A power falls within this subsection if it is conferred (whether before, on or after the passing of this Act) by or under—
  - (a) any Finance Act of any year (including this Act and any other numbered Finance Act);
  - (b) the Taxes Acts (within the meaning of TMA 1970);
  - (c) the customs and excise Acts (within the meaning of CEMA 1979);
  - (d) any enactment relating to value added tax;
  - (e) any enactment, not falling within paragraphs (a) to (d), that relates to tax.
- (3) But [subsection \(1\)](#) does not apply in relation to the exercise of such a power by a public authority in the course of a criminal investigation by the authority.
- (4) In section 12 of the Investigatory Powers Act 2016, after subsection (2) insert—
  - “(2A) Subsection (2) is subject to [section 352\(1\)](#) of the Finance (No. 2) Act 2023 (no restriction on tax related powers).”

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- (5) In Schedule 36 to FA 2008 (information and inspection powers), in paragraph 19, omit sub-paragraphs (4) and (5).
- (6) In consequence of the repeal made by [subsection \(5\)](#), omit paragraph 10 of Schedule 2 to the Investigatory Powers Act 2016.
- (7) The modification and amendments made by [subsections \(1\) to \(6\)](#) are to be treated as having always had effect.
- (8) Subsections [\(9\)](#) and [\(10\)](#) apply where—
  - (a) before the day on which this Act is passed, a public authority imposed a requirement on a person under a power falling within [subsection \(2\)](#), and
  - (b) as a result of section 12(2) of the Investigatory Powers Act 2016 the public authority did not, ignoring this section, have the power to impose it.
- (9) The requirement is to be treated as having been imposed on the day on which this Act is passed (and accordingly the period in which it must be complied with is to be treated as starting on that day) unless—
  - (a) the requirement was withdrawn by the public authority before that day, or
  - (b) the person complied with the requirement before that day.
- (10) Where, before the day on which this Act is passed, the public authority imposed a penalty on the person for contravening the requirement—
  - (a) the penalty is of no effect, and
  - (b) if already paid, the authority is liable to repay it.

*Final*

### **353 Interpretation**

In this Act the following abbreviations are references to the following Acts—

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ALDA 1979	Alcoholic Liquor Duties Act 1979
CAA 2001	Capital Allowances Act 2001
CEMA 1979	Customs and Excise Management Act 1979
CTA 2009	Corporation Tax Act 2009
CTA 2010	Corporation Tax Act 2010
FA followed by a year	Finance Act of that year
F(No.2)A followed by a year	Finance (No.2) Act of that year
HODA 1979	Hydrocarbon Oil Duties Act 1979
ICTA	Income and Corporation Taxes Act 1988
ITA 2007	Income Tax Act 2007
ITEPA 2003	Income Tax (Earnings and Pensions) Act 2003

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ITTOIA 2005	Income Tax (Trading and Other Income) Act 2005
TCGA 1992	Taxation of Chargeable Gains Act 1992
TCTA 2018	Taxation (Cross-border Trade) Act 2018
TIOPA 2010	Taxation (International and Other Provisions) Act 2010
TMA 1970	Taxes Management Act 1970
TPDA 1979	Tobacco Products Duty Act 1979
VATA 1994	Value Added Tax Act 1994
VERA 1994	Vehicle Excise and Registration Act 1994

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### **354 Short title**

This Act may be cited as the Finance (No. 2) Act 2023.

**Status:**

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**Changes to legislation:**

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