



Finance Act 2012

2012 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

INCOME TAX: GENERAL

Reliefs

13 Champions League final 2013

- (1) No liability to income tax arises in respect of any income from the 2013 Champions League final that arises to a person who is—
 - (a) an employee or contractor of an overseas team that competes in the final, and
 - (b) non-UK resident at the time of the final.
- (2) The reference in subsection (1) to income from the 2013 Champions League final is to income related to duties or services performed by the person in the United Kingdom in connection with the final.
- (3) The exemption under subsection (1) does not apply to—
 - (a) income that arises as a result of a contract entered into after the final, or of any amendment, after the final, of a contract entered into before the end of the final, or
 - (b) income that is the subject of tax avoidance arrangements.
- (4) Income is the subject of tax avoidance arrangements if—
 - (a) arrangements have been made which, but for subsection (3)(b), would result in a person obtaining an exemption under subsection (1) for the income, and

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- (b) those arrangements, or other arrangements of which they form part, have as their main purpose, or one of their main purposes, the obtaining of that exemption.
- (5) Section 966 of ITA 2007 (deduction of sums representing income tax) does not apply to any payment or transfer which gives rise to income benefiting from the exemption under subsection (1).
- (6) In this section—
- “the 2013 Champions League final” means the final of the UEFA Champions League 2012/2013 competition held in England in 2013;
 - “contractor”, in relation to an overseas team, means an individual who is not an employee of the team but who performs services for the team—
 - (a) under the terms of a contract with the team, or
 - (b) under the terms of a contract, or that individual's employment, with a company which is a member of the same group of companies as the team (within the meaning given by section 152 of CTA 2010);
 - “employee” and “employment” are to be read in accordance with section 4 of ITEPA 2003;
 - “income” means employment income or profits of a trade, profession or vocation (including profits treated as arising as a result of section 13 or 14 of ITTOIA 2005);
 - “overseas team” means a football club which is not a member of the Football Association, the Scottish Football Association, the Football Association of Wales or the Irish Football Association.

14 Cars: security features not to be regarded as accessories

- (1) ITEPA 2003 is amended as follows.
- (2) In section 125 (meaning of “accessory” and related terms) after subsection (3) insert—
 - “(3A) Subsection (2) needs to be read with section 125A (security features not to be regarded as accessories).”
- (3) After that section insert—

“125A Security features not to be regarded as accessories

- (1) This section applies where a car made available to an employee has a relevant security feature.
- (2) The relevant security feature is not an accessory for the purposes of this Chapter if it is provided in order to meet a threat to the employee's personal physical security which arises wholly or mainly because of the nature of the employee's employment.
- (3) In this section “relevant security feature” means—
 - (a) armour designed to protect the car's occupants from explosions or gunfire,
 - (b) bullet-resistant glass,

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- (c) any modification to the car's fuel tank designed to protect the tank's contents from explosions or gunfire (including by making the tank self-sealing), and
 - (d) any modification made to the car in consequence of anything which is a relevant security feature by virtue of paragraph (a), (b) or (c).
- (4) The Treasury may by regulations amend the definition of “relevant security feature” in subsection (3).”
- (4) In Part 2 of Schedule 1 (index of defined expressions), in the entry for “accessory”, in the second column for “section 125(2)” substitute “ sections 125(2) and 125A(2) ”.
- (5) The amendments made by this section have effect for the tax year 2011-12 and subsequent tax years.

15 Termination payments to MPs ceasing to hold office

- (1) In section 291 of ITEPA 2003 (exemptions: termination payments to MPs and others ceasing to hold office), for subsection (2)(a) substitute—
 - “(a) made under section 5(1) of the Parliamentary Standards Act 2009 in connection with a person's ceasing to be a member of the House of Commons.”.
- (2) The amendment made by this section has effect in relation to grants and payments made on or after 1 April 2012.

16 Employment income exemptions: armed forces

- (1) Chapter 8 of Part 4 of ITEPA 2003 (exemptions: special kinds of employees) is amended as follows.
- (2) In section 297A (exemption for Operational Allowance), in subsection (2), for “by the Secretary of State” substitute “ under a Royal Warrant made under section 333 of the Armed Forces Act 2006 ”.
- (3) In section 297B (exemption for Council Tax Relief), in subsection (2), for “by the Secretary of State” substitute “ under a Royal Warrant made under section 333 of the Armed Forces Act 2006 ”.
- (4) After that section insert—

“297C Armed forces: Continuity of Education Allowance

- (1) No liability to income tax arises in respect of payments of the Continuity of Education Allowance to or in respect of members of the armed forces of the Crown during their employment under the Crown or after their deaths.
- (2) The Continuity of Education Allowance is an allowance designated as such under a Royal Warrant made under section 333 of the Armed Forces Act 2006.”
- (5) The amendments made by this section have effect in relation to payments made on or after 6 April 2012.

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