



# Finance Act 2017

## CHAPTER 10

### FINANCE ACT 2017

#### PART 1

##### DIRECT AND INDIRECT TAXES

###### *Income tax charge and rates*

- 1 Income tax charge for tax year 2017-18
- 2 Main rates of income tax for tax year 2017-18
- 3 Default and savings rates of income tax for tax year 2017-18
- 4 Starting rate limit for savings for tax year 2017-18

###### *Corporation tax charge*

- 5 Corporation tax charge for financial year 2018

###### *Income tax: general*

- 6 Workers' services provided to public sector through intermediaries
- 7 Optional remuneration arrangements
- 8 Taxable benefits: asset made available without transfer
- 9 Overseas pensions
- 10 Pensions: offshore transfers
- 11 Deduction of income tax at source

###### *Employee shareholder shares*

- 12 Employee shareholder shares: amount treated as earnings
- 13 Employee shareholder shares: abolition of CGT exemption
- 14 Employee shareholder shares: purchase by company

*Status: Point in time view as at 06/04/2024.**Changes to legislation: There are currently no known outstanding effects for the Finance Act 2017. (See end of Document for details)**Disguised remuneration*

- 15 Employment income provided through third parties

*Indirect taxes*

- 16 VAT: zero-rating of adapted motor vehicles etc  
 17 Insurance premium tax: standard rate  
 18 Insurance premium tax: anti-forestalling provision  
 19 Air passenger duty: rates from 1 April 2017  
 20 Vehicle excise duty: rates  
 21 Alcoholic liquor duties: rates  
 22 Tobacco products duty: rates  
 23 Tobacco products duty: minimum excise duty

*Avoidance*

- 24 Promoters of tax avoidance schemes: threshold conditions etc

**PART 2****SOFT DRINKS INDUSTRY LEVY***Introductory*

- 25 Soft drinks industry levy  
 26 “Soft drink” and “package”  
 27 Meaning of “prepared drink”

*Chargeable soft drinks*

- 28 Meaning of “chargeable soft drink”  
 29 Sugar content condition  
 30 Exempt soft drinks

*Charging of the soft drinks industry levy*

- 31 Charge to soft drinks industry levy  
 32 Chargeable events: soft drinks packaged in the UK  
 33 Chargeable events: soft drinks imported into the UK  
 34 Secondary warehousing regulations  
 35 Liability to pay the levy  
 36 Levy rates  
 36A Determining levy rate for flavour concentrates

*Exemption etc*

- 37 Small producer exemption  
 38 Meaning of “small producer”  
 39 Tax credits

*Registration*

- 40 The register  
 41 Liability to register: packagers  
 42 Liability to register: producers  
 43 Liability to register: imported chargeable soft drinks  
 44 Notification of liability and registration

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- 45 Voluntary registration: small producers
- 46 Cancellation of registration under section 41, 42 or 43
- 47 Cancellation of voluntary registration
- 48 Correction of the register
- 49 Applications, notifications etc

#### *Offences*

- 50 Fraudulent evasion
- 51 Failure to notify registration liability

#### *Administration and enforcement*

- 52 Payment, collection and recovery
- 53 Records
- 54 Power to make further provision about enforcement
- 55 Appeals etc
- 56 Supplementary amendments

#### *Miscellaneous*

- 57 Regulations: death, incapacity or insolvency of person carrying on a business
- 58 Provisional collection of soft drinks industry levy
- 58A Isle of Man: import and export of chargeable soft drinks

#### *General*

- 59 Interpretation of Part 2
- 60 Regulations
- 61 Commencement

### **PART 3**

#### **FINAL**

- 62 Interpretation
- 63 Short title

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### **SCHEDULES**

#### **SCHEDULE 1 — Workers' services provided to public sector through intermediaries**

##### **Part 1 — PRELIMINARY AMENDMENTS**

- 1 ITEPA 2003 is amended as follows.
  - 2 In section 48 (scope of Chapter 8 of Part 2:...
  - 3 In section 49(1) (engagements to which Chapter applies), after paragraph...
  - 4 In section 52(2)(b) and (c) (conditions of liability under Chapter...
  - 5 In section 61(1) (interpretation of Chapter 8), before the definition...
  - 6 In section 61A (scope of Chapter 9 of Part 2:...
  - 7 In section 61D (deemed earnings where worker's services provided by...
  - 8 In section 61J(1) (interpretation of Chapter 9), before the definition...
- ##### **Part 2 — NEW CHAPTER 10 OF PART 2 OF ITEPA 2003**
- 9 In Part 2 of ITEPA 2003 (employment income: charge to...

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### Part 3 — CONSEQUENTIAL AMENDMENTS

- 10 In section 7(5)(a) of ITEPA 2003 (amounts treated as earnings...
- 11 In section 49 of ITEPA 2003 (engagements to which Chapter...
- 12 In section 339A of ITEPA 2003 (travel for employment involving...
- 13 In Chapter 11 of Part 2 of ITTOIA 2005 (trade...
- 14 In Chapter 9 of Part 3 of CTA 2009 (trade...

### Part 4 — COMMENCEMENT

- 15 The amendments made in ITEPA 2003 by Parts 1 and...
- 16 The amendment made by Part 2 of this Schedule has...
- 17 The payments to which the amendments made in ITTOIA 2005...

## SCHEDULE 2 — Optional remuneration arrangements

### *Optional remuneration arrangements*

- 1 In Part 3 of ITEPA 2003 (employment income: earnings and...

#### *Benefits in kind: amount treated as earnings*

- 2 Part 3 of ITEPA 2003 (employment income: earnings and benefits...
- 3 (1) Section 81 (benefit of cash voucher treated as earnings)...
- 4 After section 87 insert— Benefit of non-cash voucher treated as...
- 5 In section 88 (year in which earnings treated as received)—...
- 6 After section 94 insert— Benefit of credit-token treated as earnings:...
- 7 In section 97 (living accommodation to which Chapter 5 applies),...
- 8 In section 98 (accommodation provided by local authority), in the...
- 9 (1) Section 99 (accommodation provided for performance of duties) is...
- 10 In section 100 (accommodation provided as result of security threat),...
- 11 In section 100A (homes outside UK owned by company etc),...
- 12 In section 101 (Chevening House), in the words before paragraph...
- 13 (1) Section 102 (benefit of living accommodation treated as earnings)...
- 14 In section 103 (method of calculating cash equivalent), in subsection...
- 15 After section 103 insert— Accommodation provided pursuant to optional remuneration...
- 16 (1) Section 105 (cash equivalent: cost of accommodation not over...
- 17 (1) Section 106 (cash equivalent: cost of accommodation over £75,000)...
- 18 (1) Section 109 (priority of Chapter 5 over Chapter 1...
- 19 In section 114 (cars, vans and related benefits), in subsection...
- 20 (1) Section 119 (where alternative to benefit of car or...
- 21 In section 120 (benefit of car treated as earnings), after...
- 22 After section 120 insert— Benefit of car treated as earnings:...
- 23 After section 121 insert— Optional remuneration arrangements: method of calculating...
- 24 In section 126 (amounts taken into account in respect of...
- 25 (1) Section 131 (replacement accessories) is amended as follows.
- 26 In section 132 (capital contributions by employee), in subsection (1),...
- 27 After section 132 insert— Capital contributions by employee: optional remuneration...
- 28 (1) Section 143 (deduction for periods when car unavailable) is...
- 29 (1) Section 144 (deduction for payments for private use) is...
- 30 (1) Section 145 (modification of provisions where car temporarily replaced)...
- 31 (1) Section 146 (cars that run on road fuel gas)...

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- 32 After section 147 insert— Classic cars: optional remuneration arrangements (1) This section applies in calculating the relevant amount in...
- 33 (1) Section 148 (reduction of cash equivalent where car is...
- 34 In section 149 (benefit of car fuel treated as earnings),...
- 35 After section 149 insert— Benefit of car fuel treated as...
- 36 In section 154 (benefit of van treated as earnings), after...
- 37 After section 154 insert— Benefit of van treated as earnings:...
- 38 After section 158 insert— Van provided pursuant to optional remuneration...
- 39 (1) Section 160 (benefit of van fuel treated as earnings)...
- 40 After section 160 insert— Benefit of van fuel treated as...
- 41 In section 170 (orders etc relating to Chapter 6 of...
- 42 In section 173 (loans to which Chapter 7 applies), in...
- 43 In section 175 (benefit of taxable cheap loan treated as...
- 44 (1) After section 175 insert— Optional remuneration arrangements: “relevant amount”...
- 45 In section 180 (threshold for benefit of loan to be...
- 46 In section 184 (interest treated as paid), in subsection (1),...
- 47 In section 202 (excluded benefits), after subsection (1) insert—
- 48 After section 203 insert— Employment-related benefit provided under optional remuneration...

#### *Exemptions*

- 49 In Part 4 of ITEPA 2003 (employment income: exemptions), after...

#### *Other amendments*

- 50 (1) Section 19 of ITEPA 2003 (receipt of non-money earnings)...
- 51 In section 95 of ITEPA 2003 (disregard for money, goods...
- 52 (1) In section 236 of ITEPA 2003 (interpretation of Chapter...
- 53 (1) Section 239 of ITEPA 2003 (payments and benefits connected...
- 54 In section 362 of ITEPA 2003 (deductions where non-cash voucher...
- 55 In section 318A of ITEPA 2003 (childcare: limited exemption for...
- 56 In section 363 of ITEPA 2003 (deductions where credit-token provided),...
- 57 In section 693 of ITEPA 2003 (cash vouchers), in subsection...
- 58 In section 694 of ITEPA 2003 (non-cash vouchers), in subsection...
- 59 In section 695 of ITEPA 2003 (benefit of credit-token treated...
- 60 In Part 2 of Schedule 1 to ITEPA 2003 (index...
- 61 In Part 2 of Schedule 1 to ITEPA 2003 (index...

#### *Commencement and transitional provision*

- 62 (1) The amendments made by paragraphs 1, 52(1)(a) and (2)...

#### SCHEDULE 3 — Overseas pensions

##### Part 1 — REGISTERED PENSION SCHEMES ESTABLISHED OUTSIDE THE UK

- 1 (1) In Chapter 5A of Part 4 of FA 2004...

##### Part 2 — INCOME TAX ON PENSION INCOME

#### *UK residents to be taxed on 100%, not 90%, of foreign pension income*

- 2 (1) Omit section 575(2) of ITEPA 2003 (foreign pensions received...

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*Superannuation funds to which section 615(3) of ICTA applies*

- 3 (1) Section 615 of ICTA (trust funds for pensions in...  
Part 3 — LUMP SUMS FOR UK RESIDENTS FROM FOREIGN PENSION  
SCHEMES

*Introductory*

- 4 ITEPA 2003 is amended as follows.

*Employer-financed retirement benefit schemes: ending of foreign-service relief*

- 5 (1) Section 395B (exemption or reduction for foreign service) is...  
6 After section 395B insert— Meaning of “foreign service” in section...  
7 In section 554Z4 (treatment of relevant step: residence issues), after...

*Lump sums under other foreign schemes*

- 8 In section 573 (foreign pensions), after subsection (3) insert—  
9 In section 574(1) (foreign pensions: meaning of “pension”), after  
paragraph...  
10 (1) After section 574 insert— “Pension”: relevant lump sums (1) A  
lump sum paid under a pension scheme to...  
11 (1) In section 576A (temporary non-residents), as it applies where...  
12 (1) In section 576A, as it applies where the year...

*Relief from tax under Part 9 of ITEPA 2003 not to give rise to tax under other provisions*

- 13 (1) In section 393B(2)(a) (tax on benefits under employer-financed  
retirement...

SCHEDULE 4 — Pensions: offshore transfers

Part 1 — CHARGES WHERE PAYMENTS MADE IN RESPECT OF OVERSEAS  
PENSIONS

*Amendments of Schedule 34 to FA 2004*

- 1 Schedule 34 to FA 2004 (non-UK pension schemes: application of...  
2 (1) Paragraph 1 (application of member payment charges to relevant...  
3 (1) Paragraph 2 (member payment provisions apply to payments out...  
4 (1) Paragraph 3 (payments to or in respect of relieved...  
5 (1) Paragraph 4 (payments to or in respect of transfer...  
6 In paragraph 7(2)(c) (regulations about application of member payment  
provisions),...  
7 (1) Paragraph 9ZB (application of section 227G) is amended as...  
8 The amendments made by paragraph 3 apply in relation to...

*Consequential amendments in ITEPA 2003*

- 9 (1) Section 576A of ITEPA 2003, as it applies where...  
10 (1) Section 576A of ITEPA 2003, as it applies where...  
Part 2 — INCOME TAX ON PENSION TRANSFERS: OVERSEAS TRANSFER  
CHARGE

*Tax charge on transfers to qualifying recognised overseas pension schemes*

- 11 In Part 4 of FA 2004 (pension schemes etc), after...

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*Further amendments in Part 4 of FA 2004.*

- 12 Part 4 of FA 2004 is further amended as follows...
- 13 (1) Section 169 (recognised transfers, and definition and obligations of...
- 14 After Chapter 5 insert— CHAPTER 5A Registered pension schemes established...
- 15 In section 254(6) (regulations about accounting for tax by scheme...
- 16 In section 255(1) (power to make provision for assessments), after...
- 17 In section 269(1)(a) (appeal against decision on discharge of liability),...
- 18 In Schedule 32 (benefit crystallisation events: supplementary provision), after paragraph...

*Other amendments*

- 19 In section 9(1A) of TMA 1970 (tax not within the...
- 20 In Schedule 56 to FA 2009 (penalty for failure to...
- 21 (1) In regulation 3(1) of the Registered Pension Schemes (Accounting...
- 22 (1) The Pension Schemes (Information Requirements for Qualifying Overseas Pension...
- 23 (1) The Registered Pension Schemes (Transfers of Sums and Assets)...
- 24 (1) The Registered Pension Schemes (Provision of Information) Regulations 2006...

*Commencement and transitional provision*

- 25 (1) Subject to sub-paragraphs (2) to (4), the amendments made...

SCHEDULE 5 — Deduction of income tax at source

Part 1 — INTEREST DISTRIBUTIONS OF INVESTMENT TRUST OR  
AUTHORISED INVESTMENT FUND

- 1 In Chapter 3 of Part 15 of ITA 2007 (deduction...
- 2 In section 45(2) of FA 2009 (provision that regulations may...

Part 2 — INTEREST ON PEER-TO-PEER LENDING

- 3 In Chapter 3 of Part 15 of ITA 2007 (deduction...

Part 3 — FURTHER AMENDMENT AND COMMENCEMENT

*Further amendment*

- 4 In section 874(3)(a) of ITA 2007 (which refers to provisions...

*Commencement*

- 5 (1) The new sections 888B to 888D of ITA 2007,...

SCHEDULE 6 — Employment income provided through third parties

*Introductory*

- 1 Part 7A of ITEPA 2003 (employment income provided through third...

*Meaning of “relevant step”*

- 2 In section 554A(2) (meaning of “relevant”) at the end insert...

*Loans: transferring, releasing or writing off*

- 3 (1) Section 554C (relevant steps: payment of sum, transfer of...

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- 4 In section 554A(4) (non-application of Chapter 2 where relevant step...
- 5 After section 554O insert— Exclusions: transfer of employment-related loans (1) Chapter 2 does not apply by reason of a...
- 6 In section 554Z(10)(b) (interpretation: relevant step which involves a sum...
- 7 In section 554Z12(1) (relevant step taken after A's death etc.),...

*Exclusions: relevant repayments*

- 8 After section 554R insert— Exclusions: relevant repayments (1) This section applies (subject to subsection (5)) if—

*Exclusions: payments in respect of a tax liability*

- 9 After section 554X insert— Exclusions: payments in respect of a...

*Double taxation*

- 10 For section 554Z5 (overlap with earlier relevant step) substitute—  
Overlap...
- 11 After section 554Z11A insert— Double taxation: earlier income tax liability...

*Amendments to Schedule 2 to FA 2011*

- 12 (1) Paragraph 59 of Schedule 2 to FA 2011 (transitional...

*Commencement*

- 13 Subject to paragraphs 14 to 16, the amendments made by...
- 14 Section 554RA of ITEPA 2003, inserted by paragraph 8 of...
- 15 (1) Paragraph 13 does not apply in relation to the...
- 16 The amendments made by paragraph 12 of this Schedule to...

SCHEDULE 7 — VAT: zero-rating of adapted motor vehicles etc

*Adaptation of a qualifying motor vehicle*

- 1 (1) In Schedule 8 to VATA 1994 (zero-rating), Group 12...

*Three year rule, reporting and certification*

- 2 In Schedule 8 to VATA 1994, in Group 12—

*Penalty*

- 3 (1) Section 62 of VATA 1994 (incorrect certificates as to...

*Minor amendments*

- 4 Schedule 8 to VATA 1994 is amended as follows.
- 5 In Part 1 (index to zero-rated supplies of goods and...
- 6 In Group 4 (talking books for the blind and handicapped...
- 7 In Group 12 (drugs, medicines, aids for the handicapped etc)...
- 8 In Group 15 (charities etc)— (a) in item 5 and...



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### *Commencement*

9 The amendments made by this Schedule have effect in relation...

## SCHEDULE 8 — Soft drinks industry levy: recovery and overpayments Part 1 — RECOVERY

### *Recovery as debt due*

1 Soft drinks industry levy is recoverable as a debt due...

### *Assessments*

- 2 (1) Sub-paragraph (2) applies where it appears to the Commissioners  
—...
- 3 (1) Sub-paragraph (2) applies where— (a) the Commissioners have  
made...
- 4 (1) Sub-paragraph (2) applies where it appears to the Commissioners...

### *Supplementary assessments*

5 (1) Sub-paragraph (2) applies where— (a) an assessment has been...

### *Further provision about assessments under paragraphs 2, 4 and 5*

6 (1) Where an amount has been assessed and notified to...

### *Time limits for assessments*

7 (1) An assessment under paragraph 2, 4 or 5 may...  
Part 2 — OVERPAYMENTS

### *Repayments of overpaid levy*

8 (1) This paragraph applies where a person (P) has paid...

### *Supplementary provisions about repayment etc.*

- 9 (1) The Commissioners are not liable, on a claim for...
- 10 (1) This paragraph applies where— (a) an amount has been...

### *Reimbursement arrangements*

11 (1) The Commissioners may by regulations make provision for  
reimbursement...

### *Assessment for excessive repayment*

12 (1) Sub-paragraph (3) applies where— (a) an amount has been...

### *Supplementary assessments*

13 (1) Sub-paragraph (2) applies where— (a) an assessment has been...

### *Further provision about assessments under paragraphs 12 and 13*

14 (1) Where an amount has been assessed and notified to...

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*Time limits for assessments*

- 15 An assessment under paragraph 12 or 13 may not be...  
Part 3 — FURTHER PROVISION ABOUT NOTICES ETC.

*Notifications to a person's representative*

- 16 (1) A notice of an assessment under paragraph 2, 5,...

*Service of notices*

- 17 A notice under this Schedule may be given to a...

SCHEDULE 9 — Soft drinks industry levy: requirements to keep records etc:  
penalties  
Part 1 — PENALTIES

*Sections 48(2) and 53(1): requirements imposed by regulations*

- 1 (1) A person who fails to comply with a requirement...

*Section 53(2): requirements imposed by directions*

- 2 (1) A person who fails to comply with a requirement...

*Power to alter amounts specified in paragraphs 1 and 2*

- 3 (1) If it appears to the Treasury that there has...

*Reasonable excuse*

- 4 (1) A failure by any person to comply with any...  
Part 2 — ASSESSMENTS

*Power to make assessments*

- 5 (1) Where a person becomes liable for a penalty under...

*Supplementary assessments*

- 6 (1) Sub-paragraph (2) applies where— (a) an assessment has been...

*Further provision about assessments under this Schedule*

- 7 (1) Where an amount has been assessed and notified to...

*Time limits for assessments*

- 8 (1) An assessment under paragraph 5 may not be made...

*Further provision about notices*

- 9 (1) A notice of an assessment under paragraph 5 or...  
10 A notice under this Schedule may be given to a...

SCHEDULE 10 — Soft drinks industry levy: appeals and reviews  
Part 1 — APPEALABLE DECISIONS

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*Appealable decisions*

- 1 A person may appeal against a decision of the Commissioners...  
Part 2 — REVIEWS

*Offer of review*

- 2 (1) HMRC must offer a person (P) a review of...

*Right to require review*

- 3 (1) Any person (other than P) who has the right...

*Review by HMRC*

- 4 (1) HMRC must review a decision if—

*Extensions of time*

- 5 (1) If under paragraph 2 HMRC have offered P a...

*Review out of time*

- 6 (1) This paragraph applies if— (a) HMRC have offered a...

*Nature of review etc.*

- 7 (1) This paragraph applies if HMRC are required to undertake...

*Service of notices*

- 8 A notice under this Schedule may be given to a...  
Part 3 — APPEALS

*“Appeal tribunal”*

- 9 In this Schedule “appeal tribunal” means the First-tier Tribunal or...

*Bringing of appeals*

- 10 (1) An appeal under paragraph 1 is to be made...

*Appeals: further provision*

- 11 (1) An appeal relating to a decision that an amount...

*Determinations on appeal*

- 12 On an appeal against a decision mentioned in paragraph 1(a)...  
13 On an appeal against a decision mentioned in paragraph 1(f)...  
14 Subject to paragraph 15, on an appeal against a decision...  
15 (1) On an appeal against a decision mentioned in paragraph...

SCHEDULE 11 — Soft drinks industry levy: supplementary amendments

*HMRC powers to obtain information etc.*

- 1 (1) Schedule 36 to FA 2008 (powers to obtain information...

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*Penalties: failure to notify etc.*

- 2 (1) Schedule 41 to FA 2008 (penalties: failure to notify...

*Penalties: failure to comply with requirements relating to returns*

- 3 In Schedule 24 to FA 2007 (penalties for errors), in...  
4 (1) Schedule 55 to FA 2009 (penalty for failure to...  
5 (1) Schedule 56 to FA 2009 (penalty for failure to...  
6 (1) Schedule 23 to FA 2011 (data-gathering powers) is amended...

*Interest*

- 7 In Schedule 53 to FA 2009 (late payment interest) after...

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