
STATUTORY INSTRUMENTS

2006 No. 333

CORPORATION TAX

**The Tonnage Tax (Exception of
Financial Year 2006) Order 2006**

Made - - - - - *13th February 2006*

Coming into force - - - - - *1st April 2006*

The Treasury are satisfied that the percentage of the tonnage tax fleet which is Community-flagged has not decreased on average over the period prescribed in Article 2(a) of this Order.

Accordingly the Treasury, in exercise of the powers conferred upon them by paragraphs 22B(2) and 22C of Schedule 22 to the Finance Act 2000(1), make the following Order:

Citation and commencement

1. This Order may be cited as the Tonnage Tax (Exception of Financial Year 2006) Order 2006 and shall come into force on 1st April 2006.

Prescribed three year period and other definitions

2. For the purposes of this Order—

- (a) the period prescribed for the purposes of paragraph 22C(1)(a) of Schedule 22 to the Finance Act 2000 (three year period to determine whether the percentage of the tonnage tax fleet which is Community-flagged has not decreased) is the period beginning on 2nd October 2002 and ending on 1st October 2005;
- (b) “the tonnage tax fleet” means qualifying ships operated by single companies or qualifying companies which are members of a tonnage tax group; and
- (c) “the percentage of the tonnage tax fleet which is Community-flagged” is—

$$\frac{CFT}{TT} \times 100$$

where—

CFT is the aggregate tonnage of qualifying ships registered in one of the Member States' registers,

TT is the aggregate tonnage of all qualifying ships, and

(1) 2000 c. 17; paragraphs 22A to 22C were inserted by paragraph 8 of Schedule 7 to the Finance Act 2005 (c. 7).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

no qualifying ship is counted more than once in determining an aggregate.

Exception of financial year 2006

3. The financial year 2006 is designated as one in relation to which paragraph 22A of Schedule 22 to the Finance Act 2000 is not to have effect.

13th February 2006

Gillian Merron
Tom Watson
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the)

This Order disapplies paragraph 22A of Schedule 22 to the Finance Act 2000 for the financial year 2006 (which commences on 1st April 2006: see section 834 of the Income and Corporation Taxes Act 1988).

Paragraph 8 of Schedule 7 to the Finance Act 2005 introduced (to comply with European Community guidelines on State aid to maritime transport) a general requirement that ships entering the Tonnage Tax regime in future should be Community-flagged. Paragraphs 22B(2) and 22C of Schedule 22 to the Finance Act 2000 give the Treasury power to disapply that rule on a year-by-year basis, provided (in the case of financial year 2006 onwards) that the percentage of the tonnage tax fleet which is Community-flagged has not decreased. This Order disapplies that rule for financial year 2006.

This Order imposes no costs on business.