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STATUTORY INSTRUMENTS

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**2007 No. 850**

**CORPORATION TAX**

**The Tonnage Tax (Exception of  
Financial Year 2007) Order 2007**

*Made* - - - - *14th March 2007*  
*Coming into force* - - *1st April 2007*

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.

The Treasury, in exercise of the powers conferred upon them by paragraphs 22B(2) and 22C(1) 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 2007) Order 2007 and shall come into force on 1st April 2007.

**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 2003 and ending on 1st October 2006;
- (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—

$\frac{CFT}{TT}$

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

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

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

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*Status: This is the original version (as it was originally made).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

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**Exception of financial year 2007**

3. The financial year 2007 is designated as one in relation to which paragraph 22A of Schedule 22 to the Finance Act 2000 is not to have effect.

14th March 2007

*Frank Roy*  
*Alan Campbell*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order disapplies paragraph 22A of Schedule 22 to the Finance Act 2000 for the financial year 2007 (which commences on 1st April 2007: 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(1) 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 2007.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.