

2018 No. 421

CORPORATION TAX

TONNAGE TAX

**The Tonnage Tax (Exception of Financial Year 2018) Order
2018**

Made - - - -

26th March 2018

The Treasury are satisfied that the percentage of the tonnage tax fleet which is Community-flagged has not decreased on average over the three year period prescribed in regulation 2 of the Tonnage Tax (Prescribed and Specified Matters) Regulations 2018(a).

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

Citation and commencement

1. This Order may be cited as the Tonnage Tax (Exception of Financial Year 2018) Order 2018.

Exception of financial year 2018

2. The financial year 2018(c) is designated as a financial year in relation to which paragraph 22A of Schedule 22 to the Finance Act 2000 is not to have effect.

*Paul Maynard
Andrew Stephenson*

26th March 2018

Two of the Lords Commissioners of Her Majesty's Treasury

(a) S.I 2018/238; Regulation 2 of those Regulations prescribes the three year period and regulation 3 specifies the meaning of "the percentage of the tonnage tax fleet which is Community-flagged" for the purposes of paragraph 22C(1)(a) of Schedule 22 to the Finance Act 2000 (c. 17).
(b) 2000 c. 17. Paragraphs 22A to 22C were inserted by paragraph 8 of Schedule 7 to the Finance Act 2005 (c. 7).
(c) "financial year 2018" has the meaning given in section 1119 of the Corporation Tax Act 2010 (c. 4).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order disapplies paragraph 22A of Schedule 22 to the Finance Act 2000 (c. 17) for the financial year 2018.

Paragraph 8 of Schedule 7 to the Finance Act 2005 (c. 7) introduced, in order to comply with (then) European Community guidelines on State aid to maritime transport, a general requirement that ships entering the tonnage tax regime after 30 June 2005 should be Community-flagged (registered in the European Union (EU) or European Economic Area (EEA)). 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 that they are satisfied that the percentage of the tonnage tax fleet which is Community-flagged has not decreased. The Tonnage Tax (Prescribed and Specified Matters) Regulations 2018 (S.I 2018/238) prescribe the three year period (in regulation 2) and specify the meaning of the percentage of the tonnage tax fleet which is Community-flagged (in regulation 3).

A Tax Information and Impact Note has not been produced for this instrument as it contains no substantive changes to tax policy.

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