
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend various provisions of tax legislation to ensure the effective operation of that legislation after the withdrawal of the United Kingdom from the European Union.

Part 1 provides for introductory provisions. Part 2 amends primary legislation. Part 3 amends subordinate legislation. Part 4 provides for the effect of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325) and the Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/589). Part 5 makes transitional and savings provisions.

These Regulations maintain the effect of the legislation which they amend on withdrawal of the United Kingdom from the European Union (and accordingly, on the United Kingdom ceasing to be a member of the European Economic Area).

These Regulations make amendments to certain tax legislation in connection with regulations that have been made under section 8 of the European Union (Withdrawal) Act 2018 (c. 16) to remedy deficiencies arising from the withdrawal of the United Kingdom from the European Union.

In addition regulation 7(3) amends paragraph 2(4) of Schedule 5 to the Finance Act 1997 (c. 16) to remove the reference to EU legislation so that it is no longer taken into account when Her Majesty's Revenue and Customs ('HMRC') are considering whether, and the extent to which a mistake regarding legislation affects the amount by which a taxpayer is unjustly enriched by repayment of insurance premium tax, landfill tax or excise duty. This is subject to a savings provision in regulation 43 concerning mistakes made before these Regulations come into force.

Regulation 14 amends section 173 of the Finance Act 2006 (c. 25) to enable the government to give legal effect to tax treaties. The amendment mirrors provisions currently contained in legislation which give effect to EU law, but which will no longer have effect after the UK ceases to be bound by EU law. This provision ensures that public authorities are able to share information with HMRC for the purpose of enabling compliance with international tax agreements, and ensures that HMRC are able to disclose such information to other countries for that purpose.

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