
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Insurance Contributions Act 2022 (Application of Part 1) Regulations 2022 (S.I. 2022/307) and the Social Security Contributions (Freeports) Regulations 2022 (S.I. 2022/313). They make amendments in consequence of those made to the National Insurance Contributions Act 2022 (c. 9) (“NICA 2022”) by the Finance (No. 2) Act 2023 (c. 30), which extended the power to designate special tax sites (in section 113 of the Finance Act 2021 (c. 26)) to allow designation of such sites in or connected with both freeports and investment zones located in Great Britain.

Regulation 2 ensures that provisions on how employers claim the zero-rate of secondary National Insurance contributions (“NICs”) relief after year end in respect of mariners apply to special tax sites in both freeports and investment zones.

Regulation 3 ensures that provisions exempting employers from having to meet the condition at section 2(1)(d) of NICA 2022 to claim the zero-rate of secondary NICs relief apply to special tax sites in both freeports and investment zones. Those exemptions apply in respect of employees with disabilities, who are pregnant or who have given birth within the previous 52 weeks.

A Tax Information and Impact Note covering this instrument was published on 15th March 2023 and is available on the website at <https://www.gov.uk/government/publications/investment-zone-special-tax-sites/investment-zone-special-tax-sites-with-enhanced-tax-and-national-insurance-contributions-reliefs>. It remains an accurate summary of the impacts that apply to this instrument.