

# NOTICES OF AMENDMENTS

---

given on

**Wednesday 26 June 2013**

---

*For other Amendment(s) see the following page(s) of Supplement to Votes:  
387-88 and 389*

## CONSIDERATION OF BILL

### FINANCE BILL, AS AMENDED

---

- Mr Chancellor of the Exchequer 17  
Schedule 9, page 205, line 7, after '(g)', insert 'or (4A)'.
- Mr Chancellor of the Exchequer 18  
Schedule 9, page 206, line 32, after '(g)', insert 'or (4A)'.
- Mr Chancellor of the Exchequer 19  
Schedule 9, page 213, line 25, at end insert—  
'(4A) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that sub-paragraph (2) does not apply if prescribed conditions are met in relation to the assignment.  
"Prescribed" means prescribed by the regulations.
- (4B) Regulations under sub-paragraph (4A) may—  
(a) make different provision for different cases or circumstances, and  
(b) contain incidental, supplementary, consequential, transitional, transitory or saving provision.'
- Mr Chancellor of the Exchequer 20  
Schedule 9, page 213, line 27, after '(3)', insert 'or (4A)'.
- Mr Chancellor of the Exchequer 21  
Schedule 9, page 213, line 48, after '(g)', insert 'or (4A)'.
- Mr Chancellor of the Exchequer 22  
Schedule 9, page 214, line 33, at end insert—

## Notices of Amendments: 26 June 2013

---

### Finance Bill, *continued*

(6A) The Commissioners for Her Majesty’s Revenue and Customs may by regulations provide that an individual is not required to comply with sub-paragraph (2) if prescribed conditions are met.  
 “Prescribed” means prescribed by the regulations.

(6B) Accordingly, if by virtue of regulations under sub-paragraph (6A) an individual is not required to comply with sub-paragraph (2), sub-paragraph (3) does not apply because that individual does not comply with sub-paragraph (2).’

Mr Chancellor of the Exchequer

23

Schedule 9, page 214, line 42, leave out ‘Finance Act 2013 is passed’ and insert ‘first regulations under paragraph (c) below come into force’.

Mr Chancellor of the Exchequer

24

Schedule 9, page 215, line 12, at end insert—

(8A) Sub-paragraph (8B) applies in relation to a policy if the obligations under the policy of its issuer are at any time the obligations of another person (“the transferee”) to whom there has been a transfer of the whole or any part of a business previously carried on by the issuer.

(8B) In relation to that time, in sub-paragraph (2) the reference to the issuer of the policy is to be read as a reference to the transferee.’

Mr Chancellor of the Exchequer

25

Schedule 9, page 215, line 13, after ‘sub-paragraph’ insert ‘(6A) or’.

Mr Chancellor of the Exchequer

26

Schedule 9, page 221, line 38, leave out from ‘regulations’ to end of line 9 on page 222 and insert ‘—

- (a) requiring relevant persons—
  - (i) to provide prescribed information to persons who apply for the issue of qualifying policies or who are, or may be, required to make statements under paragraph B3(2) of Schedule 15;
  - (ii) to provide to an officer of Revenue and Customs prescribed information about qualifying policies which have been issued by them or in relation to which they are or have been a relevant transferee;
- (b) making such provision (not falling within paragraph (a)) as the Commissioners think fit for securing that an officer of Revenue and Customs is able—
  - (i) to ascertain whether there has been or is likely to be any contravention of the requirements of the regulations or of paragraph B3(2) of Schedule 15;
  - (ii) to verify any information provided to an officer of Revenue and Customs as required by the regulations.’

**Notices of Amendments: 26 June 2013**

---

**Finance Bill, *continued***

Mr Chancellor of the Exchequer	<b>27</b>
Schedule 9, page 222, line 10, leave out '(2)' and insert '(1)(b)'.	
Mr Chancellor of the Exchequer	<b>28</b>
Schedule 9, page 222, leave out lines 20 and 21.	
Mr Chancellor of the Exchequer	<b>29</b>
Schedule 9, page 222, leave out lines 29 and 30 and insert—	
“relevant person” means a person—	
(a)        who issues, or has issued, qualifying policies, or	
(b)        who is, or has been, a relevant transferee in relation to qualifying policies.	
(6)        For the purposes of this section a person (“X”) is at any time a “relevant transferee” in relation to a qualifying policy if the obligations under the policy of its issuer are at that time the obligations of X as a result of there having been a transfer to X of the whole or any part of a business previously carried on by the issuer.”	

---

**EXPLANATORY NOTE**

**CLAUSE 25, SCHEDULE 9: QUALIFYING INSURANCE POLICIES**

**AMENDMENTS 17 - 29**

**SUMMARY**

1. This clause and Schedule provide for the implementation of a new annual premium limit on qualifying life insurance policies (QPs). The amount of premiums payable into QPs for an individual will be limited to no more than £3,600 in any 12 month period for QPs issued on or after 6 April 2013. Transitional rules will apply for policies issued from 21 March 2012 to 5 April 2013 inclusive. The proposed amendments allow greater flexibility by providing for future further exclusions, where appropriate. The proposed amendments also provide clarity on when a statement is required, to whom the statement must be made if obligations under the policy have been transferred, the records that need to be maintained and extend the period during which an individual must make a statement.

**DETAILS OF THE AMENDMENTS**

2. Amendments 17 and 18 are consequential amendments following on from amendment 19, below.
3. Amendment 19 inserts new sub-paragraphs (4A) and (4B) to new paragraph B2.
4. Sub-paragraph (4A) of new paragraph B2 sets out that regulations may provide that a policy will not become non-qualifying upon assignment if conditions prescribed by the regulations are met.
5. Sub-paragraph (4B) of new paragraph B2 describes what regulations under sub-paragraph (4A) may contain.
6. Amendments 20 and 21 are consequential amendments following on from amendment 19, above.
7. Amendment 22 inserts new sub-paragraphs (6A) and (6B) to new paragraph B3.
8. Sub-paragraph (6A) of new paragraph B3 provides a power for Her Majesty's Revenue and Customs in regulations to exclude individuals from the requirement to make a statement under sub-paragraph (2) of

**FINANCE BILL 2013**  
**CLAUSE 25**  
**SCHEDULE 9**

new paragraph B3 where conditions set out in those regulations are met.

9. Sub-paragraph (6B) provides that if a statement is not required by virtue of sub-paragraph (6A) of new paragraph B3, then sub-paragraph (3) of new paragraph B3 does not make the policy a non-qualifying policy.
10. Amendment 23 extends the statement period in sub-paragraph (7)(b) of new paragraph B3. It ensures that no individual will be required to make a statement before regulations come into force.
11. Amendment 24 inserts new sub-paragraphs (8A) and (8B) to new paragraph B3.
12. Sub-paragraph (8A) provides that sub-paragraph (8B) of new paragraph B3 applies where the obligations of the issuer under a policy have been transferred to another person.
13. Sub-paragraph (8B) provides that where sub-paragraph (8A) of new paragraph B3 applies then a statement provided under sub-paragraph (2) of new paragraph B3 must be provided to the transferee.
14. Amendment 25 is a consequential amendment following on from amendment 22, above.
15. Amendment 26 revises new sub-section 552ZB(1) of the Income and Corporation Taxes Act 1988 (ICTA).
16. New section 552ZB(1) of ICTA provides the power to make regulations for the provision of information to the Commissioners for Her Majesty's Revenue and Customs by insurers about issued QPs and for the provision of information by insurers to those applying for QPs or who are required to make statements under new paragraph B3. The regulations may also make such provision as is necessary for enabling an officer of Her Majesty's Revenue and Customs to check that the regulations and requirements under sub-paragraph B3(2) are not being contravened.
17. Amendment 27 is a consequential amendment following on from amendment 26, above.
18. Amendment 28 omits the definition of 'information' from new sub-section 552ZB(5) of ICTA.
19. Amendment 29 revises the definition of 'relevant persons' under new sub-section 552ZB(5) of ICTA. It also inserts new sub-section

**FINANCE BILL 2013**  
**CLAUSE 25**  
**SCHEDULE 9**

552ZB(6) of ICTA which defines a 'relevant transferee' in relation to a qualifying policy.

**BACKGROUND**

20. The QP regime was introduced in 1968 to preserve pre-existing tax treatment for traditional moderate value, long term, regular premium savings policies that contain a significant element of life insurance.
21. No upper limit was set for the investment premiums that could be paid into a QP which allowed individuals to obtain unlimited relief from higher rates of income tax.
22. The Government announced in Budget 2012 a restriction to the tax relief available for QPs. This restriction will limit the amount of premiums payable into QPs for an individual to no more than £3,600 in any 12 month period with effect from 6 April 2013.
23. These Government amendments are made to provide HMRC with powers to:
  - widen the circumstances in which the assignment of a qualifying policy will not make the policy non-qualifying;
  - widen the circumstances in which an individual is not required to make a statement to an insurer following the issue, variation, assignment or inheritance of a qualifying policy; and
  - ensure policy issuers maintain sufficient records in relation to policies issued before 6 April 2013 and allow HMRC to audit such records should an event under new section B3 occur.

They also:

- make it clear to whom a statement must be made if the obligations under a policy have been transferred from the original policy issuer, and
- ensure individuals have a 3 month period in which to make a statement.