Autumn Budget 2017 – the new fiscal timetable

General Features

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Finance Bill 2017-18 was published on 1 December. At time of writing it was scheduled to get its second reading in the House of Commons on 11 December and for two days of debate in Committee of the Whole House on 18 and 19 December. The remaining clauses are expected to be debated in Public Bill Committee in the New Year, with the Bill passing its remaining stages and gaining Royal Assent before the end of March.

The Bill includes eight measures consulted on in draft, of which, as reported in previous editions of Technical Newsdesk, CIOT commented on three:

Offshore trusts: anti-avoidance – we argued changes were needed to ensure the provisions operate coherently and without unintended consequences

Termination payments: removal of foreign service relief (FSR) – we expressed concern (amongst other things) that the net result of removing FSR without replacing it will be that a termination award made to an individual that has largely worked overseas but ends his/her employment in the UK will be taxed more heavily than a 'normal' bonus

Tackling disguised remuneration: avoidance schemes – we expressed concern that the new 'close company gateway' remains too widely drafted, such that it potentially applies to ordinary commercial transactions and other transactions that are not employment income tax avoidance

The Bill also includes a range of measures announced in the November Budget. These include:

- Changes to Venture Capital Trusts and the Enterprise Investment Scheme

- Technical amendments (tidying up) to provisions on corporate interest restriction passed in Finance Act (No.2) 2017
- Freezing of the Corporate Capital Gains indexation allowance
- Extension of joint and several liability (JSL) on online marketplaces
- Landfill tax reforms
- Stamp Duty Land Tax relief for first-time buyers
- Giving effect to the Base Erosion and Profit Shifting (BEPS) Multilateral Instrument

As usual the CIOT, LITRG and the ATT will be providing briefing material to MPs and peers debating the Bill, including through submissions to the Public Bill Committee. These will appear on the Public Bill Committee webpages and on the relevant sections of the CIOT, LITRG and ATT websites.

The December–March parliamentary passage for the Finance Bill is the 'new normal' following changes to the Budget process. As recommended by CIOT, the Institute for Government and the Institute for Fiscal Studies in our Better Budgets report the government has decided to hold just a single 'fiscal event' (that is, Budget or Autumn Statement) annually. At the same time the government has decided to hold this event (the Budget) in November rather than March. One upside of this is that the post-Budget Finance Bill should be able to be passed through Parliament and receive Royal Assent before the start of the new financial year, meaning less legislation going through parliamentary scrutiny (and potentially amendment) after it has theoretically come into effect.

Under the new timetable we understand consultations from the November Budget will generally be launched in January with the aim of finishing them before Easter. 'L-Day', when draft clauses are published for the next Finance Bill, is expected to be in July going forward.