**EXPLANATORY MEMORANDUM TO**

# THE MAJOR SPORTING EVENTS (INCOME TAX EXEMPTION) (GLASGOW 2026 COMMONWEALTH GAMES) REGULATIONS 2026

**2026 No. [XXXX]**

## 1. Introduction

1.1 This Explanatory Memorandum has been prepared by His Majesty's Revenue and Customs (HMRC) on behalf of His Majesty's Treasury and is laid before the House of Commons by Command of His Majesty.

1.2 This memorandum contains information for the Select Committee on Statutory Instruments.

## 2. Declaration

2.1 Dan Tomlinson MP, Exchequer Secretary to the Treasury confirms that this Explanatory Memorandum meets the required standard.

2.2 Sarah Kelsey, Deputy Director for Assets, Residence and Valuation, at HMRC confirms that this Explanatory Memorandum meets the required standard.

## 3. Contact

3.1 Paul Askew and Michelle Spillers at HMRC can be contacted by email at the following address with any queries regarding the instrument: personaltaxinternational@hmrc.gov.uk.

## Part One: Explanation, and context, of the Instrument

## 4. Overview of the Instrument

***What does the legislation do?***

4.1 This instrument will provide an exemption from United Kingdom (UK) income tax for certain non-resident individuals who have been accredited by Glasgow 2026 Limited (the organiser) in respect of their involvement with the Glasgow 2026 Commonwealth Games, to be held in Glasgow, Scotland between 23 July 2026 and 2 August 2026. The exemption applies to income arising to such individuals from their activities in the UK between 16 July 2026 and 4 August 2026 in connection with the Glasgow 2026 Commonwealth Games.

***Where does the legislation extend to, and apply?***

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the United Kingdom.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the United Kingdom.

## 5. Policy Context

***What is being done and why?***

5.1 The Commonwealth Games Federation, now Commonwealth Sport (CWS), in October 2024, awarded the right to host the 2026 Commonwealth Games to the city of Glasgow, Scotland. The event will take place across multiple sporting venues from 23 July 2026 to 2 August 2026.

5.2 The current policy is to grant certain tax exemptions for sporting events if the event is designated to be of a world-class standard and the event is internationally mobile.

5.3 These conditions are not statutory rules but are used as a policy framework for the case-by-case consideration of granting a tax exemption.

5.4 The exemption will apply to accredited non-UK resident competitors, officials and certain other individuals employed by, or associated with, the participating national teams or international federations or otherwise involved with the Glasgow 2026 Commonwealth Games.

5.5 The request to grant an income tax exemption to host the Glasgow 2026 Commonwealth Games is consistent with other world class, international events that have been hosted in the UK in the past, most recently in relation to the Women's Finalissima Football match in 2023 and the UEFA Champions League Final in 2024.

***What was the previous policy, how is this different?***

5.6 Section 48 of the Finance Act 2014 introduced a power which allows the Treasury by regulations to make provision for exemption from income tax.

5.7 If this exemption was not in place, non-UK resident individuals involved in the Glasgow 2026 Commonwealth Games hosted in Scotland and accredited by the organiser would be subject to UK tax on their income arising from their activities in the UK in connection with this event. This would make the UK less attractive as a host for international sporting events and mean the UK would be likely to miss out on the potential economic and sporting benefits brought by hosting them.

5.8 The "Gold Framework"[1] sets out the Major Events Strategy for the UK, outlining the UK-level support that can be provided by the government.

## 6. Legislative and Legal Context

***How has the law changed?***

6.1 The Regulations disapply section 966 of the Income Tax Act 2007 to any income payments or transfers which are made in respect of relevant activity (regulation 2(2)) to an accredited person (regulation 1(2)) who meets the non-residence condition (regulation 2(3)). Income received in respect of activities performed in the period from 16 July 2026 to 4 August 2026 and which are part of an accredited person's accreditation by the organiser of the Glasgow 2026 Commonwealth Games will not be liable to income tax.

6.2 Section 966 would otherwise require such persons to deduct and account for sums representing income tax in respect of payments made in connection with their activities undertaken in relation to this event.

[1] Gold Framework: https://www.gov.uk/government/publications/gold-framework-2023-edition

6.3 An income tax exemption was not a condition of the bidding process to host the 2026 Commonwealth Games as Glasgow stepped in to host the event following the bid withdrawal of Victoria, Australia. However, this event meets the other criteria of being a world class event and being internationally mobile.

6.4 HM Treasury confirmed to CWS in 2025 that the exemption would be given if the event was hosted in the UK.

***Why was this approach taken to change the law?***

6.5 This is the only possible approach to make the necessary changes.

## 7. Consultation

***Summary of consultation outcome and methodology***

7.1 A consultation exercise has not been held in this instance as this instrument is non-controversial and there have been precedents for allowing major sporting events to have a tax exemption as part of the hosting criteria.

## 8. Applicable Guidance

8.1 It is not necessary for HMRC to publish guidance. HMRC will assist those affected by these regulations should it be required.

## Part Two: Impact and the Better Regulation Framework

## 9. Impact Assessment

9.1 A Tax Information and Impact Note covering this instrument will be published on the GOV.UK website.[2]

***Impact on businesses, charities and voluntary bodies***

9.2 There is no, or no significant, impact on businesses, charities or voluntary bodies because this instrument creates a short-term income tax exemption for certain non-resident individuals.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector because this instrument creates a short-term income tax exemption for certain non-resident individuals.

## 10. Monitoring and review

***What is the approach to monitoring and reviewing this legislation?***

10.1 The approach to monitoring of this legislation is to make the impact of this legislation subject to continuing review.

10.2 The instrument does not include a statutory review clause. This instrument creates a short-term tax exemption and therefore no provision for review is required as a result of section 28(3)(a) of the Small Business, Enterprise and Employment Act 2015.

[2] Tax Information and Impact Note: https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins

## Part Three: Statements and Matters of Particular Interest to Parliament

### 11. Matters of special interest to Parliament

11.1 This instrument provides a tax exemption for an "accredited person", as defined in regulation 1(2) of the Statutory Instrument. The accreditation referred to in the definition of "accredited person" is conferred by the organiser to assist with the organisation of the event. The reference to accreditation of this nature to specify the beneficiaries of the exemption is expressly permitted by section 48(3)(b) of the Finance Act 2014. HMRC considers that there is no sub-delegation to the organiser of any power to determine who should benefit from the tax exemption.

### 12. European Convention on Human Rights

12.1 Dan Tomlinson MP, Exchequer Secretary to the Treasury has made the following statement regarding Human Rights:

"In my view the provisions of the Major Sporting Events (Income Tax Exemption) (Glasgow 2026 Commonwealth Games) Regulations 2026 are compatible with the Convention rights."

### 13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").