EXPLANATORY MEMORANDUM TO

THE MAJOR SPORTING EVENTS (INCOME TAX EXEMPTION) (WOMEN'S FINALISSIMA FOOTBALL MATCH) REGULATIONS 2023

2023 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. Purpose of the instrument

2.1 This instrument will provide an exemption from United Kingdom (UK) income tax for certain non-resident individuals who have been accredited by the Union of European Football Associations (UEFA) in respect of their involvement with the Women's Finalissima Football Match between England and Brazil, to be played at Wembley Stadium, London on 6 April 2023. The exemption applies to income arising to such individuals from their activities in the UK between 2 April and 7 April 2023 in connection with the Women's Finalissima Football Match at Wembley Stadium. Non-resident players, officials and certain other individuals employed by, or associated with, the participating national teams or UEFA are within the scope of the exemption provided they have been accredited by UEFA. The exemption is limited to income derived from the specific role in respect of which an individual has been accredited.

3. Matters of special interest to Parliament

Matters of special interest to the Select Committee on Statutory Instruments

3.1 This instrument supersedes the draft of the same title which was laid before the House of Commons and published on 6 February 2023. Further to the Committee's request dated 22 February 2023 for a memorandum, which identified a drafting error, that draft instrument has been withdrawn and replaced with this instrument, which does not contain this error.

3.2 This instrument is being issued free of charge to all known recipients of the draft instrument laid and published on 6 February 2023.

3.3 This instrument provides a tax exemption for an "accredited person", as defined in regulation 2. The accreditation referred to in the definition of "accredited person" is conferred by UEFA in order to assist with the organisation of the event. The reference to accreditation of this nature in order 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 UEFA of any power to determine who should benefit from the tax exemption.

4. Extent and Territorial Application

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

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

5. European Convention on Human Rights

5.1 The Financial Secretary to the Treasury, Victoria Atkins MP has made the following statement regarding Human Rights:

"In my view the provisions of the Major Sporting Events (Income Tax Exemption) (Women's Finalissima Football Match) Regulations 2023 are compatible with the Convention rights."

6. Legislative Context

6.1 The income tax exemption was not a condition of the bidding process to host the Women's Finalissima Football Match in the UK. However, the match meets the other criteria of being a world class event and being internationally mobile. The Financial Secretary to the Treasury, Victoria Atkins MP, has confirmed to UEFA that the exemption would be given if the match was hosted in the UK.

7. Policy background

What is being done and why?

7.1 The English Football Association was awarded the right to host the new Women's Finalissima Football Match between the current European Champions, England and the South American Champions, Brazil. The match will be held at Wembley Stadium on 6 April 2023.

7.2 The 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.

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

7.4 The request to grant an income tax exemption to host the Women's Finalissima Football Match is consistent with other world class, international events that have been hosted in the UK in the past, most recently in relation to the Men's Finalissima match in 2022, World Athletics Championships 2017, the UEFA Champions League Final 2017 and the UEFA Euro 2020 football finals tournament in 2021.

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

7.6 If this exemption was not put in place, non-UK resident individuals involved in the Women's Finalissima Football Match hosted in England and accredited by UEFA would be subject to UK tax on their income arising from their activities in the UK in connection with this match. This would make the UK less attractive as a host for international sporting events meaning the UK would be less likely to enjoy the wider benefits brought by hosting them.

7.7 The "Gold Framework" sets out the Major Events Strategy for the UK, outlining the UK-level support that can be provided by government. The "Gold Framework" may be viewed at https://www.gov.uk/government/publications/gold-framework.

8. European Union Withdrawal and Future Relationship

8.1 This instrument does not relate to withdrawal from the European Union.

9. Consolidation

9.1 These regulations will not be consolidated as they are stand alone for this event only.

10. Consultation outcome

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

11. Guidance

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

12. Impact

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 There is no, or no significant, impact on the public sector.

12.3 A Tax Information and Impact Note covering this instrument will be published on the website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.

13. Regulating small business

13.1 The legislation applies to activities that are undertaken by small businesses.

13.2 No specific action is proposed to minimise regulatory burdens on small businesses

13.3 The basis of the final decision on what action to take to assist small businesses is that no separate approach for small business is required as this instrument removes administrative burdens.

14. Monitoring & review

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

14.2 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.

15. Contact

15.1 Aidan Close at HMRC telephone: 03000 585 255 or email: aidan.close@hmrc.gov.uk can be contacted with any queries regarding the instrument.

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

15.3 Victoria Atkins MP, Financial Secretary to the Treasury, can confirm that this Explanatory Memorandum meets the required standard.