STATUTORY INSTRUMENTS

2019 No. 358

INCOME TAX

The Income Tax (Approved Expenses) (Amendment) Regulations 2019

Made - - - -	*25th February 2019*
Laid before the House of Commons	*26th February 2019*
Coming into force - -	*19th March 2019*

The Commissioners for Her Majesty's Revenue and Customs, in exercise of the power conferred by section 289A(2A)(a) and (8) of the Income Tax (Earnings and Pensions) Act 2003(**a**), make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Income Tax (Approved Expenses) (Amendment) Regulations 2019 and come into force on 19th March 2019.

(2) These Regulations have effect in relation to payments made in the tax year 2019-20 and subsequent tax years.

Amendment to the Income Tax (Approved Expenses) Regulations 2015

2.—(1) The Income Tax (Approved Expenses) Regulations 2015(**b**) are amended as follows.

(2) After regulation 2 insert—

"**Expenses in the course of overseas travel**

3. For the purposes of section 289A(2A)(a) of ITEPA 2003, an amount is calculated and paid or reimbursed in accordance with these regulations if it is paid or reimbursed to an employee in respect of expenses in the course of qualifying travel outside the United Kingdom and does not exceed the relevant rate or rates for such expenses published from time to time by the Commissioners for Her Majesty's Revenue and Customs."

Melissa Tatton
Justin Holliday

25th February 2019 Two of the Commissioners for Her Majesty's Revenue and Customs

(**a**) 2003 c. 1. Section 289A(2A)(a) and (8) was inserted by section 10 of the Finance Act 2019 (c. 1).
(**b**) S.I. 2015/1948.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Approved Expenses) Regulations 2015 (S.I. 2015/1948) (the "2015 Regulations") as a result of legislation made in the Finance Act 2019 (c. 1) ("FA 2019").

Section 10 FA 2019 inserted section 289A(2A) of the Income Tax (Earnings and Pensions) Act 2003 (c. 1) which creates an income tax exemption for certain amounts which have been paid or reimbursed to an employee in respect of travel expenses. Section 289A(2A)(a) provides that this exemption applies to amounts which have been "calculated and paid or reimbursed in accordance with regulations made by the Commissioners for Her Majesty's Revenue and Customs" (the "Commissioners"). Regulation 2 amends the 2015 Regulations to specify that this condition is met, from the tax year 2019-20, by amounts that are paid or reimbursed to an employee in accordance with rates for overseas travel expenses published by the Commissioners.

A copy of these rates will be available at https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk. The department will arrange for a hard copy to be purchased and held with the department's Employee Benefits and Expenses Policy Team, whose office is at 100 Parliament Street, London, SW1A 2BQ and for the copy to be available for inspection free of charge upon request. The team can be contacted at employmentincome.policy@hmrc.gsi.gov.uk.

A Tax Information and Impact Note covering this instrument was published on 6th July 2018 alongside the draft clauses and explanatory notes for the Finance Bill 2018-19 and is available at https://www.gov.uk/government/publications/abolition-of-receipt-checking-for-benchmark-scale-rates-and-changes-to-overseas-scale-rates. It remains an accurate summary of the impacts that apply to this instrument.

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