EXPLANATORY MEMORANDUM TO

THE MAJOR SPORTING EVENTS (INCOME TAX EXEMPTION) (2021 UEFA SUPER CUP) REGULATIONS 2021

2021 No. 882

1. Introduction

1.1 This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs (HMRC) on behalf of Her Majesty's Treasury and is laid before the House of Commons by Command of Her 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 2021 UEFA Super Cup football match scheduled to be played at the National Football Stadium at Windsor Park in Belfast. The exemption applies to income arising to such individuals from their activities in the UK during the period beginning with 10 August 2021 and ending with 12 August 2021 in connection with the match. Non-resident players, officials and certain other individuals employed by, or associated with, the participating 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 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.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

3.2 The territorial application of this instrument includes Scotland and Northern Ireland.

3.3 The powers under which this instrument is made cover the United Kingdom (see Section 48(5) of the Finance Act 2014) and the territorial application of this instrument is not limited by that Act or by the instrument.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is the United Kingdom.

4.2 The territorial application of this instrument is the United Kingdom.

5. European Convention on Human Rights

5.1 The Rt Hon Jesse Norman MP, Financial 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) (2021 UEFA Super Cup) Regulations 2021 are compatible with the Convention rights."

6. Legislative Context

6.1 The income tax exemption was a condition of the bidding process to host the 2021 UEFA Super Cup match in the UK. In January 2019, the Rt Hon Mel Stride MP, the Financial Secretary to the Treasury, confirmed to UEFA in writing that all the necessary tax exemptions would be given if the Irish Football Association in Northern Ireland was awarded this match.

7. Policy background

What is being done and why?

7.1 The Irish Football Association in Northern Ireland bid for, and was awarded, the right to host the 2021 UEFA Super Cup match to be played at the National Football Stadium at Windsor Park, Belfast on 11 August 2021. This match is played annually between the winners of the previous season's UEFA Champions League and UEFA Europa League.

7.2 Government policy is to grant certain tax exemptions for sporting events if the event is designated to be of a world-class standard, internationally mobile and where the provision of a tax exemption is a requirement of the bid to host the event.

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 This income tax exemption was a condition of the bidding process for all countries wishing to host the 2021 UEFA Super Cup.

7.5 The formal requirement to grant an income tax exemption to host the 2021 UEFA Super Cup is consistent with other world-class, internationally mobile events that are due to be or have been hosted in the UK in the past, for example in relation to the UEFA Euro 2020 final tournament, the World Athletics Championships 2017, the UEFA Champions League Final 2017 and the London Anniversary Games 2016.

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

7.7 There has not been a formal announcement for the income tax exemption relating to this event.

7.8 If this exemption was not put in place, non-UK resident individuals involved in the 2021 UEFA Super Cup and accredited by UEFA would be subject to 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.

7.9 Furthermore, if the exemption is not put in place then it would renege on the formal commitment given by the UK Government to provide an exemption in support of the Irish Football Association's bid to host the event.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

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

9. Consolidation

9.1 These regulations will not be consolidated.

10. Consultation outcome

10.1 A consultation exercise has not been held in this instance as this instrument is non-controversial and there is precedent 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 the impact of the requirements on small businesses (employing up to 50 people).

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 keep the legislation under ongoing review.

14.2 The regulation does not include a statutory review clause. This instrument creates a short-term 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 & Valuation, at HMRC, can confirm that this Explanatory Memorandum meets the required standard.

15.3 The Rt Hon Jesse Norman MP, Financial Secretary to the Treasury, can confirm that this Explanatory Memorandum meets the required standard.