STATUTORY INSTRUMENTS

2019 No. 398

CORPORATION TAX

TONNAGE TAX

The Tonnage Tax (Prescribed and Specified Matters) Regulations 2019

Made - - - -	*28th February 2019*
Laid before the House of Commons	*1st March 2019*
Coming into force - -	*22nd March 2019*

The Treasury make these Regulations in exercise of the powers conferred by paragraph 22C(1)(a), (2)(a) and (7) of Schedule 22 to the Finance Act 2000(**a**).

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Tonnage Tax (Prescribed and Specified Matters) Regulations 2019 and come into force on 22nd March 2019.

(2) In these Regulations "the Schedule" means Schedule 22 to the Finance Act 2000.

Prescribed three year period

2. For the purposes of paragraph 22C(1)(a) of the Schedule, the prescribed three year period is the period beginning on 2nd October 2015 and ending on 1st October 2018.

Percentage of the tonnage tax fleet which is Community-flagged

3. For the purposes of paragraph 22C(1)(a) of the Schedule, "the percentage of the tonnage tax fleet which is Community-flagged" means the percentage determined under paragraph 22B(3) of the Schedule for all companies to which the Schedule applies.

Revocation

4. The Tonnage Tax (Prescribed and Specified Matters) Regulations 2018(**b**) are revoked.

Rebecca Harris
Jeremy Quin
28th February 2019 — Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 2000 c. 17; paragraph 22C was inserted by paragraph 8 of Schedule 7 to the Finance Act 2005 (c. 7).
(**b**) S.I. 2018/238.

EXPLANATORY NOTE

(This note is not part of the Regulations)

The tonnage tax regime is a system of taxation for shipping companies provided for by section 82 of, and Schedule 22 to, the Finance Act 2000 (c. 17).

Paragraph 8 of Schedule 7 to the Finance Act 2005 (c. 7) introduced changes to the tonnage tax regime, in order to comply with the (then) European Community guidelines on State aid to maritime transport. Schedule 22 to the Finance Act 2000 was amended to include a general requirement that ships entering the tonnage tax regime should in future be Community-flagged (registered in the European Union or European Economic Area).

Paragraph 22B(2) of Schedule 22 gives the Treasury the power to make an Order disapplying that requirement on a year-by-year basis. Before such an Order can be made, paragraph 22C(1)(a) requires the Treasury to be satisfied that the percentage of the tonnage tax fleet which is Community-flagged has not decreased on average over a three year period. For the purposes of meeting that condition, regulation 2 prescribes as the three year period the period beginning on 2nd October 2015 and ending on 1st October 2018. Regulation 3 also specifies the meaning of percentage of the tonnage tax fleet which is Community-flagged in relation to the prescribed period. Regulation 4 revokes the Tonnage Tax (Prescribed and Specified Matters) Regulations 2018.

A Tax Information and Impact Note has not been produced for this instrument as it contains no substantive changes to tax policy.

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