



# GMS Flash Alert



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## United Kingdom - Truncated Finance Bill 2017 Due to Snap General Election

As a result of the forthcoming surprise general election, the U.K. Parliament will cease business on 3 May 2017 until after the 8 June 2017 election. This means there is insufficient time to debate all the Finance Bill 2017 clauses that were published on 20 March 2017 and were – in most cases – expected to come into force on 6 April 2017. Accordingly, it has been confirmed that many of the more controversial and complex proposals have been removed from the Finance Bill.<sup>1</sup> Those that remain are likely to become law imminently.

From the employment tax and global mobility perspectives, the removed clauses include those dealing with the new “deemed domicile” rules, the changes to the termination payments rules, and the legislation to support “Making Tax Digital,” all of which were covered in our earlier report, GMS [Flash Alert 2017-048](#) (9 March 2017).

However, a number of substantive provisions remain including those covering salary sacrifice, IR35 and workers providing services to the public sector, and changes to the treatment of foreign pensions and transfers to Qualified Recognised Overseas Pension Schemes.

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### WHY THIS MATTERS

Taxpayers, their employers, and their service providers may have been undertaking reviews and other steps in light of the Finance Bill measures that, up until the general election announcement on 18 April 2017, seemed likely to be debated and approved by Parliament within the next few weeks. In the light of the general election, it is recommended that concerned parties consult with their qualified tax professionals about the status of measures concerning them and next steps.

Jane Ellison MP, Financial Secretary to the Treasury, has announced<sup>2</sup> that the omitted clauses will be re-introduced as soon as possible should the Conservatives form the next government. In this case, we would expect a summer Finance Bill comprised of the omitted clauses followed by Royal Assent in the autumn.

If the Conservatives do not form the next government, then we would still expect many of the omitted clauses to re-appear, although they may be somewhat amended to reflect the new government's policies and priorities.

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## KPMG NOTE

KPMG LLP (U.K.) welcomes the removal of a number of the more complex measures from the Finance Bill. Complex measures require proper scrutiny and debate by Parliament to determine they correctly achieve their stated purpose.

That said, the forthcoming election will inevitably mean that there will be a degree of uncertainty around what happens next because that will be shaped by the results of the election and the form of the new government.

It will be advisable to work with your qualified tax professionals to determine what needs priority consideration and to agree next steps.

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For related coverage, see "[Finance Bill 2017 – what now?](#)" (21 April 2017) a publication of the KPMG International member firm in the United Kingdom.

## FOOTNOTES:

1 For additional information, see the [web page](#) for the House of Commons.

To track the status of the Finance Bill, [click here](#).

2 Speaking in the House of Commons on 25 April 2017.

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## Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in the United Kingdom:



**Colin Ben-Nathan**

Tel. + 44 (0) 20 7311 3363

[Colin.Ben-nathan@kpmg.co.uk](mailto:Colin.Ben-nathan@kpmg.co.uk)



**Rachel Beecroft**

Tel. + 44 (0) 20 7311 3356

[Rachel.Beecroft@kpmg.co.uk](mailto:Rachel.Beecroft@kpmg.co.uk)



**Matthew Fox**

Tel. +44 (0) 20 7694 3392

[Matthew.Fox@kpmg.co.uk](mailto:Matthew.Fox@kpmg.co.uk)

**The information contained in this newsletter was submitted by the KPMG International member firm in the United Kingdom.**

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