

## 6.1. Income Tax Bill 2015 – Clauses considered

**The Speaker:** We now turn to the clauses stage of the Income Tax Bill.  
I call on the mover, the Hon. Member for Ayre, Mr Teare.

**Mr Teare:** Thank you, sir.

This Bill is divided into four parts and contains 12 clauses. It confirms two Temporary Taxation Orders and makes amendments to the Income Tax Act 1970 and the Income Tax Act 1989.

Mr Speaker, turning to the Bill, clause 1 provides the short title of the Act.  
I beg to move that clause 1 do stand part of the Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** I put the question that clause 1 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 2, sir.

**Mr Teare:** Thank you, sir.

Clause 2 provides the interpretation for the Act.

Mr Speaker, I beg to move that clause 2 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** I put the question. Clause 2: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 3.

**Mr Teare:** Clause 3 provides for the Act to expire on the day after its promulgation, except for those provisions which are automatically repealed on that day by section 115A of the Income Tax Act 1970. It also confirms that its expiry will not affect the provisions of the Act.

Mr Speaker, I beg to move that clause 3 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** I put the question. Clause 3: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 4, Mr Teare.

**Mr Teare:** Thank you, sir.

Clause 4 confirms four Temporary Taxation Orders, two that were approved in February last year as part of the 2014 Budget. The first of these is the Income Tax (Resident Individuals) (Income Tax Cap) (Temporary Taxation) Order 2014, [SD 2014/0019].

This Order amends the income tax cap regime that was first introduced in 2006. The Order will require an individual or jointly assessed married couple or civil partners to elect for the cap to apply. If the Assessor approves the election it will apply for five continuous tax years. The level of the tax cap applying to each of those years is the same and is the level that applies to the first year of the election. The Order provides for the level of the cap to be set by order of the Treasury. An election must be made before the start of the tax year to which it applies; however, if a new resident elects for tax cap within 60 days of commencing residency in the Island, the election cap can apply to the year in which they arrive and in the four subsequent tax years.

The second Temporary Taxation Order to be confirmed by this Bill is the Income Tax (Disclosure of Information) (Temporary Taxation) Order 2014, [SD 2014/0048]. This Order enables anonymised income tax data to be supplied for economic modelling services required by the Treasury or the Assessor. Similarly, information can also be supplied to the Chief Secretary or a person authorised by him to provide economic advice or for the production or analysis of statistics. The Order makes it an offence for anyone to whom the information has been given to disclose it other than for the purpose for which it has been supplied; however, this would not apply to the publication of anonymised data that has been supplied for statistical analysis which may be used, for example, in the national income report.

Mr Speaker, since the Bill entered this House, two further Temporary Taxation Orders have been approved by Tynwald, both introducing measures for the 2015 Budget. Therefore, in order to save on administration and the costs associated with producing a further Bill over the next 12 months to confirm those Orders, an amendment to this Bill will be moved by my colleague, Mr Henderson, which will confirm the Temporary Taxation Orders.

Mr Speaker, I beg to move that clause 4 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** Hon. Member for Douglas North, Mr Henderson.

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.

As the hon. mover of the Bill has explained, this amendment will confirm the two Temporary Taxation Orders that were approved by Tynwald last month as part of the Budget.

The first of these is the Income Tax (Personal Allowance Credit) (Temporary Taxation) Order 2015, [SD 2015/0013]. This Order amends the Income Tax Act 1923 in order to change the conditions necessary to qualify for the personal allowance credit. The conditions introduced by the Order require a person to be aged 65 or over at the start of the tax year to which the payment relates or to have been entitled to either Blind Person's Allowance or Disabled Person's Allowance in that year.

The Order also ensures that a jointly assessed couple will only receive the full amount for a qualifying couple if both parties meet the qualifying conditions. If only one partner meets the conditions, the couple will be entitled to half of the payment.

The second Order is the Income Tax (Corporate Taxpayers) (Temporary Taxation) Order 2015, [SD 2015/0016]. This Order introduces a requirement for the majority of companies to file their annual tax returns electronically using the Government's online tax services. Compulsory online filing will come into operation for accounting periods ending on or after 5th April 2015, except for those companies which fall into one of the exemption categories. In addition to the exemption categories, if a company can satisfy the Assessor that they do not have access to the internet or that they have a reasonable excuse for not complying, they will be exempt from the requirement.

Vainstyr Loayreyder, I beg to move the amendment standing in my name:

*Page 8, after line 9 insert —*

*'(c) the Income Tax (Personal Allowance Credit) (Temporary Taxation) Order 2015<sup>1</sup>; and  
(d) the Income Tax (Corporate Taxpayers) (Temporary Taxation) Order 2015<sup>2</sup>.'*

*In consequence of this amendment omit "and" on page 8, line 7.*

<sup>1</sup> SD 2015/0013.

<sup>2</sup> SD 2015/0016.

**The Speaker:** Mr Houghton.

**Mr Houghton:** I beg to second, sir.

**The Speaker:** Hon. Member, Mr Thomas.

**Mr Thomas:** Thank you, Mr Speaker.

Given a previous answer by the Treasury Minister and given his comments just now about the provision of information for statistical purposes, will the Treasury Minister revisit his answer about supplying and making available anonymously heavily aggregated information to help us better understand the cost of living and the earnings in balance that we have in our Island and perhaps amending annex 1 of the Statistics Act 1999 so that we can better understand the situation for the unfortunately poorer parts of our community?

**The Speaker:** Mr Karran.

**Mr Karran:** Could the Shirveishagh Tashtee just inform this House if this is just another example of a U-turn when it comes to tax capping, allowing for the unthought-out process?

**The Speaker:** Mr Henderson, do you wish to reply?

**Mr Henderson:** No, sir.

**The Speaker:** Mr Teare to reply.

**Mr Teare:** Speaking to the comments made by the Hon. Member for West Douglas, Mr Thomas, there is a limit to the information that we could produce, and I have to say that if we drill down too far with the information we are in danger of identifying specific areas or indeed specific households – households where there are very few households in an individual area – so I have no intention to amend the Statistics Act.

What this clause will do is give the ability for the Assessor of Income Tax and also the Chief Secretary's Economic Policy Unit to have a look at anonymised data to better inform us, but to go down too far, I am very nervous about that because I do not want to risk identifying individuals.

The Hon. Member for Onchan, Mr Karran, asked whether this tax cap provision is a U-turn, and the short answer to that is no. It is consistent and I feel comfortable with these proposals, sir.

**The Speaker:** Hon. Members, in respect of clause 4, I put the amendment in the name of Mr Henderson. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 4 as amended: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 5, sir.

**Mr Teare:** Mr Speaker, clause 5 confirms that the Income Tax Act 1970 is amended in accordance with part 3 of the Bill.

Mr Speaker, I beg to move that clause 5 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Watterson:** I beg to second and reserve my remarks, sir.

**The Speaker:** I put the question that clause 5 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 6.

**Mr Teare:** Thank you, sir.

Clause 6 amends section 2ZA of the 1970 Act which provides for the tax cap election. If a person believes that they have paid more income tax as a result of the election, this change will give them an opportunity to prove this to the Assessor and to apply for those years to be reassessed as if the tax cap had not been applied. Those assessments would then be amended.

Mr Speaker, I beg to move that clause 6 do stand part of this Bill.

**The Speaker:** Mr Watterson.

**Mr Watterson:** I beg to second and reserve my remarks.

**The Speaker:** I put the question that clause 6 –

**Mrs Beecroft:** Sorry, Mr Speaker –

**The Speaker:** Mrs Beecroft.

**Mrs Beecroft:** Yes, I did try, and I got interrupted.

Yes, I do have a problem with this clause 6 because it does seem to me that we are giving the tax cappers the best of both worlds. They can elect to have the tax cap, but then if it does not turn out to their advantage then they can decide that they did not want it after all and everything would be put back as if they had not elected for it in the first place. Unless I am actually reading this incorrectly, that is what it means to me, and so I would be grateful if the mover could clarify that; otherwise, I find myself having to vote against it.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree, even though he denies it, that this is somewhat of a U-turn from what we were told originally?

Whilst I understand that we are in this all together as far as income is concerned and we are going to try and get as much income in to protect Government as possible, does he not feel that people outside will feel that the whole taxation policy of his administration is really based on looking after those who are rich and not looking out for those who are hardworking people who contribute to society? I would be interested in his views to ensure why people would not think that is the case.

I just wanted to note there is no media in the room, as far as the press is concerned, because I do find it quite offensive that people raise these legitimate issues, like the proxy voting the last time, to be soiled by such comments.

**The Speaker:** Let us stick to the issue before us.

Mr Teare to reply.

**Mr Teare:** Thank you, sir.

The Hon. Member for Douglas South, Mrs Beecroft, says that the tax cappers will be getting the best of both worlds. What I would say is it gives confidence to taxpayers, to those in that sector of the community who bring very significant benefits to the economy of the Isle of Man, and it does acknowledge that in very rare circumstances there can be instances where a person may, for example, dispose of their business and their revenue stream goes. So it just recognises that there can be problems for them and it helps to maintain our competitiveness in a very competitive area.

The Hon. Member for Onchan, Mr Karran, said that once again we are looking after the rich. What I would say is what we are looking after is job creation. Our statistics indicate that nearly 1,400 individuals are employed by tax cappers and the tax revenue we anticipate from the tax cappers, their employees, is approximately £25 million a year. So I would respectfully suggest that we need to protect and hopefully grow that revenue stream and that by moving this clause I feel that we will be able to do that.

So with that, Mr Speaker, I beg to move that clause 6 do stand part of this Bill.

**The Speaker:** Hon. Members, I put the question. Clause 6: those in favour say aye; against, no. The ayes have it.

*A division was called for and electronic voting resulted as follows:*

**FOR**

Mr Bell  
Mr Cannan  
Mr Cregeen  
Mr Cretney  
Mr Hall  
Mr Henderson  
Mr Houghton  
Mr Robertshaw  
Mr Ronan  
Mr Shimmin  
Mr Skelly  
Mr Teare  
The Speaker  
Mr Thomas  
Mr Watterson

**AGAINST**

Mrs Beecroft  
Mrs Cannell  
Mr Karran

**The Speaker:** With 15 votes for and 3 votes against, the motion therefore carries.  
Clause 7.

**Mr Teare:** Thank you, sir.

Clause 7 makes a number of amendments to this part of the Act, which removes the words 'necessary or' in section 104B and 104C to more closely reflect the wording used in the international arrangements to which they relate.

Section 104C is further amended by the removal of subsection (1)(b)(i), which is a consequence of the introduction by clause 10 of a new part into the Act.

Clause 7 also substitutes section 104G. This section addresses the disclosure of information by a Manx tax official, in that disclosure must be in accordance with the international arrangement under which the information is provided.

The wording in subsection (2) will ensure that the information provided to the Assessor under an international agreement may not be used in criminal proceedings against the person who supplied it, except for perjury or a similar offence.

The clause also amends section 104H by substituting subsection (1) in order to improve its clarity.

Finally, it makes a number of minor amendments to section 104I. It replaces 'summonsed' with 'summoned' and replaces two out-of-date cross-references. Section 105P is replaced with section 104H and section 105P(1) is replaced with section 104H(1).

Mr Speaker, I beg to move that clause 7 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** Clause 7: those in favour, say aye; against, no. The ayes have it. The ayes have it. Clause 8.

**Mr Teare:** Thank you, sir.

Clause 8 substitutes the heading of part 11 with 'Information and Evidence'.

It also inserts a new section 105BB, which provides the Treasury to make regulations about the keeping of accounting records. The new section specifies what the regulations can address and to whom they can apply. It also enables the regulations to make any provision regarding the keeping of records that might be contained in an Act of Tynwald. It further requires any such regulations to be approved by Tynwald before coming into operation.

Mr Speaker, the Isle of Man is a member of the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, which is the multi-lateral framework within which work in the area of tax transparency and exchange of information is carried out by over 120 jurisdictions. The Global Forum is charged with in-depth monitoring and peer review of members' implementation of international standards of transparency and exchange of information for tax purposes. This monitoring is by way of a detailed assessment for laws, regulations and exchange of information mechanisms and their effectiveness. The Isle of Man was subject to its phase 1 and phase 2 detailed assessments in 2010. Subsequently, in 2014, the Global Forum published ratings for the 71 countries reviewed at that time and the Isle of Man was one of only 20 countries to be awarded the top compliance rating. Within the next few years the Island will undergo a phase 3 review regarding the application of tax information on request. Since the Island's last review, many other jurisdictions have undergone phase 1 and phase 2 reviews and a considerable amount has been learnt by both the OECD assessment teams and the Assessor about what is best practice. This has highlighted a number of areas where the Island's income tax legislation requires amending in order to help to ensure a successful phase 3 review. The obligation for various entities to keep accounting records is one of the elements reviewed, and these regulations, when introduced, will strengthen the Island's legislation ahead of that review. The international standard for record keeping is five years, and although the Income Tax Act already contains some requirements for certain entities to keep records, the ability to make regulations will allow the coverage of the requirements to be broadened and standardised. It should be noted that the Assessor intends to consult on any changes that may be proposed in regulations prior to their introduction.

Finally, clause 8 makes a number of minor amendments to section 105D. In subsection (3) it makes plural each use of the word 'document', while in subsection (6)(a) after 'in such form' it inserts the words 'and in such manner', which should ensure that copies of any documents that are required for an investigation into a person's tax affairs will be provided in an appropriate way.

The last amendment is to include reference to information in the marginal note by changing it to 'power to call for documents or information relating to taxpayer'.

Mr Speaker, I beg to move that clause 8 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** Mrs Cannell.

**Mrs Cannell:** Thank you, Mr Speaker.

I just wonder if the mover of the Bill can explain a little bit further what the meaning is of subsections (3) and (4) of this particular clause? It says:

‘Record-keeping regulations may make any provision that might be made by an Act of Tynwald.’

That in itself suggests that if there is an Act of Tynwald made, then regulations may be made under that Act. Is that how I interpret it? If that is the case, what Act does the Minister have in mind that such regulations may come under?

It then goes on to say:

‘Accordingly, so far as is necessary or expedient in consequence of provision made under subsection (1), they may —

(a) amend any Act of Tynwald, and

(b) modify, in its application to the Island, any Act of Parliament so applied under an Act of Tynwald.’

What is the exact provision there that the Minister is asking us to approve?

Then it says, of course, in subsection (4):

‘Record-keeping regulations must be approved by Tynwald before coming into operation.’

But in subsections (a) and (b) under (3) it reads as though this is a flexibility being built in law in the Income Tax Bill to be able to bring in and amend any part of it, or another one that the Minister might have in mind, without consequence to coming back to the House of Keys for an amendment Bill, for example. That is how it is reading, that it is giving provision and flexibility to be able to develop or change or amend the application of this type of legislation in the Isle of Man without recourse to the House of Keys. So if the Minister could explain, please.

**The Speaker:** Minister to reply.

**Mr Teare:** Thank you, sir.

It is so that Acts such as the Companies Act could be amended if necessary, but at the moment there is no intention to do that.

The provisions in there give us more flexibility but, as I did say in my initial comments, it would be subject to the agreement of Tynwald. So instead of bringing primary legislation to amend the record-keeping requirement, what we have done now gives more flexibility and makes it a simpler arrangement, but it will still require the approval of Tynwald for it to become effective.

**The Speaker:** I put the question. Clause 8: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 9.

**Mr Teare:** Thank you, sir.

Clause 9 makes a number of amendments to section 105K in part 12 of the Act. It substitutes subsection (2) and inserts new subsections (2A), (2B) and (2C).

When the Assessor is investigating an individual’s tax affairs, she may request relevant documents and information from a taxpayer or from a third party. (**A Member:** He or she.) If the items requested are not provided in a reasonable time, the Assessor can issue a notice requiring them to be provided. Under certain circumstances, such as if the notice is not complied with, the Assessor can apply to the High Court for an order requiring provisions of the item specified in the notice. If this occurs, the taxpayer or the third party is entitled to a minimum of 14 days’ notice of the Assessor’s intention to apply to the High Court.

Under the new subsection (2), once the Assessor or third party has been advised that the Assessor intends to apply to the High Court, they must not hide, change or destroy any documents or information specified in the application before the latest of the events listed. Nor can they tell anyone other than their professional legal adviser or tax adviser anything that might prejudice the investigation at any time before either the application is dropped or the investigation is concluded.

Under new subsection (2A) these obligations are lifted if the Assessor notifies the taxpayer or third party that this is not the case.

However, subsection (2B) ensures that, despite (2) and (2A), they must continue to keep any of the items that they are required to by record-keeping regulations.

The new subsection (2C) provides the circumstance in which the Assessor must advise the taxpayer or third party that their obligations to keep the specified items have ceased. These changes are intended to help prevent any action being taken that would frustrate an investigation.

Clause 9 makes one further change to section 105K, which is to remove the words 'authorised for the purpose' from subsection (3), as these words are not required. It goes on to make the same connection to section 105L(2).

The final amendments to be made by clause 9 address section 105M, and several of these are just minor grammatical changes. Subsection (1)(b) is substituted in order to remove the first word and to correct the word 'information' to 'application'. The subsection also replaces the words 'is to' with 'may' to clarify that the Assessor cannot be served and that evidence will be found in the specified premises.

A number of minor grammatical changes are made to subsection (4), while the whole subsection is substituted to make a further small grammatical change and update a part of the language.

Mr Speaker, I beg to move that clause 9 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, I am interested in this Bill with this clause, allowing for the fact that the previous clause I was quite concerned about making sure there is not the same illusion that we seem to have from the Member. It is not what it is intended to do. Well, I am afraid... in this Hon. House... Can the hon. mover tell us what his intention is as far as this clause is concerned, allowing for the fact that he has managed to bypass any parliamentary procedure, other than the laying of an Order in Tynwald, as far as change, which can make the difference between people having their liberty or not having their liberty?

So if the Minister can explain, as far as this clause is concerned, what is the intention and what is actually the letter of law that we are supposed to be voting on today? Because, allowing for the Hon. Member for East Douglas's input to the previous one, I am rather concerned – and well picked up as far as that issue is concerned, and it needs to be maybe elaborated at Third Reading stage... not to end up with a situation where those in the know can make up the law as they go along, because it obviously concerns me, with the previous one, allowing for the fact that I thought this Bill was not going to come back here for weeks.

I am concerned with this court order for delivery of documents. Are there any other issues that we should be concerned about, where it is not the intention but it actually says in the law that they can do it in this clause?

**The Speaker:** Mover to reply. Mr Teare.

**Mr Teare:** Thank you, sir.

This has got nothing to do with people losing their liberty. This has got to do with what it says on the tin: delivering information or making information available to the Assessor of Income Tax. The intention is that if people do not comply with a notice given, then there should be a statutory basis to compel them to reply.

As I said moving the original... the Assessor has to give 14 days' notice if it is thought that they should move to compel them legally to do it, but this power will be used very rarely. The intention is to ensure that the documents will be available to the Assessor and, very importantly, that they are protected and not destroyed, because the information has to be held available.

So with that, Mr Speaker, I beg to move that clause 9 do stand part of this Bill.

**The Speaker:** I put the question. Clause 9: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 10.

**Mr Teare:** Thank you, sir.

Clause 10 inserts a new part 12A into the Act, consisting of three sections.

This new part amends provisions in parts 11 and 12 to enable them to apply to international arrangements signed by the Isle of Man. Currently, when a Tax Agreement is signed, the Order ratifying the agreement makes modifications to the legislation in parts 11 and 12 so that the Isle of Man can comply with its obligations to exchange information under the agreement. The introduction of this new part will instead make all the necessary modifications to parts 11 and 12 and will apply them to all current and future international arrangements. This will remove the need for future ratification Orders to make the modifications and it will ensure that the same legislation applies to all appropriate international arrangements. It also means that if any further modifications are required in the future as a result of changing international requirements, those changes can be made to the new part and will apply to all existing arrangements, rather than the changes having to be applied to each individual arrangement, as is currently the case.

As well as the new part making the modifications that have previously been made by the individual ratification Orders, it also makes some additional amendments which will assist the Island at the phase 3 review that I mentioned earlier and ensure that it is able to retain the top compliance rating. These additional amendments are required because the Global Forum is currently updating the terms of reference for the next round of reviews in order to reflect developments in international standards and highlight patterns of deficiencies or issues identified in member countries' reviews that have been carried out since the Isle of Man was last reviewed in 2010. We therefore need to make sure that the Island's laws and exchange of information mechanisms will meet the revised standards in terms of reference.

Turning now to the new part, this consists of three sections: 105OA, 105OB and 105OC.

The first section provides for parts 11 and 12 of the Act to apply to international arrangements, subject to the modifications made by this part.

The second part, 105OB, makes a number of modifications to part 11. As I have mentioned, a number of these are the modifications which to date have been made by each ratification Order and which have been amended very slightly in the new section in order to enable them to apply to a broad range of international arrangements.

In addition to these, section 105E(1) has been substituted to remove reference to serious prejudice to the proper assessment or collection of tax. The use of this phrase has raised issues for some jurisdictions in their phase 2 Global Forum peer reviews as the wording does not fall within the Global Forum's terms of reference. A new subsection (1)(a) is also inserted to provide clarity and arises from breaking the original subsection (1) into two subsections.

Section 105E is further amended by the removal of subsections (5) to (7). This removes any restriction on the ability of the Assessor to request in a notice a document, the whole of which is more than six years old. This is another measure which will help the Island in its review. Although

the Island has strict law regarding information that is more than six years old, many countries with which we have an agreement do not.

Section 105OB also removes section 105F for the purposes of an international arrangement. This is one of the issues identified in member country reviews as the role of tax adviser does not have any legal privilege under an international agreement.

A further amendment inserts two new subsections into section 105G. The first of these, subsection (1)(a), will ensure that the Assessor can request documents or information relating to a tax investigation from a company that has ceased to exist. Similarly, new subsection (1)(b) enables the Assessor to direct such request to the administrator or executor of an estate in the case of an individual who has died.

Finally, the new section 105OC modifies part 12 of the Act for the purposes of an international arrangement. The first of these modifications is to substitute wording in section 105I(1) in order to remove the reference to serious prejudice for the reasons already given. The word 'serious' is also removed from section 105K for this reason and section 105K is further modified to remove references to 'tax adviser'. Again for the reason previously stated.

The main modification made by this section is the insertion of a number of definitions in section 105O. A number of these modifications have been made by each ratification Order. However, the definition of 'liability to income tax' has been expanded to help ensure the Island can fulfil its obligations to exchange information under an international arrangement. The definition of 'information' is also replaced with one that is broader for the same reason.

Mr Speaker, I beg to move that clause 10 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** I put the question. Clause 10: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 11.

**Mr Teare:** Thank you, sir.

Clause 11 inserts the definition of 'record-keeping regulations' into the alphabetical list of definitions in section 152 of the Act. This is to reflect the introduction by clause 8 of this Bill of a new section which enables Treasury to make these regulations.

Mr Speaker, I beg to move that clause 11 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** I put the question. Clause 11: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 12.

**Mr Teare:** Thank you, sir.

Clause 12 makes an amendment to the pension legislation in the fact that if a member of a pension scheme that has been approved by the Assessor has only built up a small amount of pension savings, they can opt to convert the fund into a single lump sum, which is known as a trivial commutation.

Treasury currently has the power under section 5A to make regulations regarding the payment of trivial commutation lump sums and clause 12 introduces the requirement for these regulations to be

approved by Tynwald before coming into operation. This will bring the legislation into line with similar regulation-making powers.

Mr Speaker, I beg to move that clause 12 do stand part of this Bill.

**The Speaker:** Mr Shimmin.

**Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** Clause 12. I put the question: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, I have been advised that new clause 13 as set out in the Order Paper will not be moved.

That therefore brings us to the end of our proceedings today. The House will now stand adjourned until the next sitting, which will take place at 10 o'clock on Monday, 16th March in this Chamber to elect Members of the Legislative Council.

Thank you, Hon. Members.