

Bill 5: Companies with investment business

Summary

1. This paper presents draft clauses that set out which companies are “companies with investment business” and others that provide relief for such companies for expenses of management (generally known as “management expenses”).
2. The draft clauses have been reordered in comparison with the source legislation to bring relevant provisions together.
3. The paper consists of:
 - draft clauses and associated Schedules, all containing their origins, and
 - draft explanatory notes and draft entries for Annex 1 to the Bill outlining proposed Changes.
4. Some of the Changes relate to those agreed for ITTOIA where it is proposed that they should be carried across to management expenses. When this is the case, Questions in the explanatory notes refer to those corresponding ITTOIA Changes.
5. All other proposed Changes are shown within the explanatory notes and have corresponding Change Notes attached to this paper.

Questions for Committees

6. To enable us to consider relevant issues before publication of the draft Bill, we would be grateful for your comments on these draft clauses.
7. In particular, we would welcome your comments on:
 - whether or not it is appropriate to carry across the Changes agreed for ITTOIA to management expenses; and
 - the questions at paragraphs 8, 26, 79 and 100 of the explanatory notes outlining proposed Changes not relevant to ITTOIA and on the associated Change Notes which are intended for inclusion in Annex 1 to the Bill.

Closing date for comments.

8. We would welcome any comments by 11 May 2007. If possible, they should be sent by e-mail to:

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Written comments should be sent to:

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9. The names of respondents may be published unless they ask for their comments to be treated in confidence.