

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

First Delegated Legislation Committee

DRAFT MAJOR SPORTING EVENTS (INCOME TAX
EXEMPTION) (2022 BIRMINGHAM
COMMONWEALTH GAMES) REGULATIONS 2022

DRAFT MAJOR SPORTING EVENTS (INCOME TAX
EXEMPTION) (UEFA WOMEN'S EURO 2022
FINALS) REGULATIONS 2022

DRAFT MAJOR SPORTING EVENTS (INCOME TAX
EXEMPTION) (FINALISSIMA FOOTBALL MATCH)
REGULATIONS 2022

Wednesday 20 April 2022

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Sunday 24 April 2022

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The Committee consisted of the following Members:

Chair: MR LAURENCE ROBERTSON

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| † Atherton, Sarah (<i>Wrexham</i>) (Con) | † Mak, Alan (<i>Lord Commissioner of Her Majesty's Treasury</i>) |
| † Bailey, Shaun (<i>West Bromwich West</i>) (Con) | † Murray, James (<i>Ealing North</i>) (Lab/Co-op) |
| Bryant, Chris (<i>Rhondda</i>) (Lab) | † Sambrook, Gary (<i>Birmingham, Northfield</i>) (Con) |
| † Chapman, Douglas (<i>Dunfermline and West Fife</i>) (SNP) | † Stevenson, Jane (<i>Wolverhampton North East</i>) (Con) |
| † Fletcher, Mark (<i>Bolsover</i>) (Con) | Stringer, Graham (<i>Blackley and Broughton</i>) (Lab) |
| † Frazer, Lucy (<i>Financial Secretary to the Treasury</i>) | † Twist, Liz (<i>Blaydon</i>) (Lab) |
| Hillier, Dame Meg (<i>Hackney South and Shoreditch</i>) (Lab/Co-op) | † Williams, Craig (<i>Montgomeryshire</i>) (Con) |
| Keeley, Barbara (<i>Worsley and Eccles South</i>) (Lab) | † Wood, Mike (<i>Dudley South</i>) (Con) |
| † Longhi, Marco (<i>Dudley North</i>) (Con) | Guy Mathers, Dawn Amey, <i>Committee Clerks</i> |
| | † attended the Committee |

First Delegated Legislation Committee

Wednesday 20 April 2022

[MR LAURENCE ROBERTSON *in the Chair*]

Draft Major Sporting Events (Income Tax Exemption) (2022 Birmingham Commonwealth Games) Regulations 2022

9.25 am

The Financial Secretary to the Treasury (Lucy Frazer): I beg to move,

That the Committee has considered the draft Major Sporting Events (Income Tax Exemption) (2022 Birmingham Commonwealth Games) Regulations 2022.

The Chair: With this it will be convenient to consider the draft Major Sporting Events (Income Tax Exemption) (UEFA Women's EURO 2022 Finals) Regulations 2022 and the draft Major Sporting Events (Income Tax Exemption) (Finalissima Football Match) Regulations 2022.

Lucy Frazer: It is a pleasure to appear before you today, Mr Robertson.

The three draft regulations before the Committee will provide an income tax exemption for accredited overseas individuals who take part in the UEFA women's Euro 2022 finals tournament, the Finalissima football match being hosted at Wembley stadium, and the 2022 Birmingham Commonwealth games. These exemptions will apply to any UK income received either for competing in any of these events or for duties and services performed in connection with them.

The Government recognise the great benefits that all sport, including sport at its highest level, brings to this country. International matches, tournaments and meets inspire the next generation of athletes, bring together communities and boost the economy. Clearly, after the challenges of covid-19, the Government must do all they can to ensure that the industry that supports those events can continue to flourish.

This summer, the UK will host three major sporting events. First, in June, UEFA will hold the Finalissima at Wembley stadium, where the European champions, Italy, will play their South American counterparts, Argentina, in the first match of its type. Secondly, in July, the UEFA women's Euro tournament will take place in 10 venues across England, with the final taking place at Wembley stadium. Thirdly, this summer, Birmingham will host the 2022 Commonwealth games. I am sure Members will agree that these are all fantastic events, and the Government are determined to support them.

By granting tax exemptions, not only do we ensure the right to host these world-class events but, on a practical level, we reduce the extra demands for individual competitors by removing the need to consider withholding taxes, completing self-assessment tax returns and double taxation treaties. That is why we are introducing the measures contained in the regulations.

Under the regulations, non-resident players, officials and individuals who have been appointed by UEFA or the Commonwealth Games Organising Committee will be exempt from income tax on earnings connected to these events. The exemption for the Finalissima football match will be in place from 28 May to 2 June this year, the exemption for the women's Euros tournament will run from 1 July to 6 August, and the exemption for the 2022 Birmingham Commonwealth games will run from 1 July to 11 August. The regulations will bring economic benefit to the local areas of Brighton and Hove, London, Manchester, Milton Keynes, Rotherham, Sheffield, Southampton, Trafford, Wigan and Leigh, and Birmingham.

Tax exemptions for world-class sporting events such as the ones covered by the regulations are nothing new. Such arrangements were in place for competitors and individuals connected with the 2012 Olympics, the 2011, 2013 and 2017 UEFA Champions League finals, the 2014 Glasgow Commonwealth games, the 2017 world athletics championships, and the 2020 UEFA men's Euro football finals. I should point out that tax exemptions of this type are reserved only for the most exceptional events. I am confident that the Committee will agree that all three of the fixtures that I have mentioned meet that criterion.

The income tax exemptions for these three events will support the Government's commitment to make the UK a global destination for world-class sport. I commend the regulations to the Committee.

9.30 am

James Murray (Ealing North) (Lab/Co-op): Thank you, Mr Robertson, for the chance to set out the Opposition's position on the three statutory instruments.

As we have heard from the Minister, the instruments seek to remove income tax liability for accredited persons who are non-resident in the UK but who earn income in the UK arising from work related to the 2022 Birmingham Commonwealth games, the UEFA women's Euro 2022 finals, and the Finalissima football match. Beyond the non-residence condition, accreditation entails that the beneficiary of the tax relief works for, or is contracted by, one of the sporting bodies, teams or clubs competing in the competition.

We know that for the Birmingham Commonwealth games the tax exemption would be effective from 1 July until 11 August. We will not oppose the measure, as it is standard practice with world-class sporting events for the host nation to provide certain tax exemptions, not least to avoid the risk of double taxation in the UK and the home nation of the accredited person. It is also important that the UK is seen as an attractive place to host major cultural and sporting occasions, as it has successfully so many times in the past. I very much welcome this year's Commonwealth games being held in the UK, and I am sure the people of Birmingham will be fantastic hosts.

For the UEFA women's Euro 2020 finals, the tax exemption would be effective from 1 July until 6 August. For the reasons already mentioned, we will not oppose this measure either. I would, however, like to place on record how pleased I am that the competition will be hosted here in England. Indeed, with games both at Wembley and the Brentford Community Stadium, I

hope tickets will be available for my constituents. I would be grateful if the Minister could outline what measures will be taken to ensure that the communities local to the competition games will have a fair opportunity to purchase tickets.

Women's football has gone from strength to strength recently, and I would like to congratulate England forward Ellen White, who scored her 50th England goal earlier this month. She is the first woman to reach that impressive milestone, and did so in emphatic fashion, scoring midway through a 10-0 victory over North Macedonia.

For the Finalissima football match, the tax exemption would be effective from 28 May until 2 June. Again, we will not oppose the measure. This is a football match held between the winners of the UEFA European Championship and the Copa América, and so this year Wembley will play host to Italy versus Argentina on 1 June. I know that previously the world football governing body, FIFA, abolished the competition, but I am pleased that the 2020 memorandum of understanding between the European and South American bodies, UEFA and CONMEBOL, has led to this iconic fixture. I am glad that London—our capital city that is home to so many people from all around the world—will host this international match.

9.33 am

Douglas Chapman (Dunfermline and West Fife) (SNP): The SNP is generally supportive of the measures proposed today and, in particular, of that on the women's football competition. To use a pun, it puts the women's game on a level playing field with all the other events, which is a great step forward.

It is remarkable, however, that the Government are much more quick off the mark when it comes to legislation on tax exemptions than they are to legislate against money laundering, for example, which props up the London property market. For example, we are still waiting for the economic crime Bill, four years on from the original consultation. That is some gestation period for any Bill, but I hope we will be able to make progress on that.

We do not want to make any further comment on today's proceedings, but I hope the Government can make progress with the other legislation that could

benefit the economy. As far as the other competitions are concerned, we hope that all goes well and wish all the very best to the competitors involved.

9.34 am

Lucy Frazer: I am grateful to the hon. Members for their contributions and the indication that there will not be any opposition to these very important measures, which will ensure that we remain at the forefront of sporting activities, bringing wealth to our local economies.

The hon. Member for Ealing North mentioned the availability of tickets for certain matches. His constituents will have to be swift off the mark. For the UEFA women's Euro finals, more than 350,000 of the more than 700,000 tickets available have been sold during presale and the public ballot window. I am sure that he will advertise that to his constituents. It means that Euro 2022 is already on track to be a record-breaking event, and I am sure it will bring a large amount of benefit to his constituency and the areas around him.

As the hon. Member for Dunfermline and West Fife knows, the Government are taking action on a number of measures to ensure that our economy works and that we tackle tax avoidance and tax evasion. I commend these measures to the House.

Question put and agreed to.

**DRAFT MAJOR SPORTING EVENTS
(INCOME TAX EXEMPTION) (UEFA
WOMEN'S EURO 2022 FINALS)
REGULATIONS 2022**

Resolved,

That the Committee has considered the draft Major Sporting Events (Income Tax Exemption) (UEFA Women's EURO 2022 Finals) Regulations 2022.—(*Lucy Frazer.*)

**DRAFT MAJOR SPORTING EVENTS
(INCOME TAX EXEMPTION)
(FINALISSIMA FOOTBALL MATCH)
REGULATIONS 2022**

Resolved,

That the Committee has considered the draft Major Sporting Events (Income Tax Exemption) (Finalissima Football Match) Regulations 2022.—(*Lucy Frazer.*)

9.36 am

Committee rose.

