

EXECUTIVE COUNCIL

CONFIDENTIAL

Title of Report: Finance Bill
Paper No: 135/11
Date: 24 May 2011
Report of: Financial Secretary/Attorney General

1.0 Purpose

The purpose of the paper is to seek approval of the Finance Bill, which would implement the statutory changes required:

- (a) in relation to Executive Council's approval of:
 - (i) Paper 94/11: Budget Policy 2011/12;
 - (ii) Paper 4/11: Veterinary and Agricultural Fees for the 2011/12 Financial Year;
 - (iii) Paper 107/11: Proposed Amendment for Simplifying the Benefit in Kind Rule;
- (b) in relation to decisions made at Standing Finance Committee meeting of 6 May 2011; and
- (c) in relation to a number of minor matters which have subsequently arisen during the drafting process.

2.0 Recommendations

It is recommended that the attached Finance Bill be submitted to the Legislative Assembly on 24 May 2011 (in accordance with the provisions of the Standing Rules Orders of the Legislative Assembly; rules 44(a)(i) and 46(2)(b)).

3.0 Summary of Financial Implications

The financial implications are as set out in the above Executive Council and, where appropriate, are taken into account in the Draft Estimates presented with paper number 134/11.

4.0 Background

4.1 The Bill would implement the changes above in the following way:

Clause No.	Amendment	ExCo paper No. & recommendation No. etc
3	Increase in banking licence fee	94/11 - 53
4	Increase in Commissioners for Oaths fees	94/11 – 31
5	Increase Companies and private partnership fees	94/11 - 32
6	Increase in customs fees (service fees and entry/clearance fees)	94/11 – 38 & 40 & SFC
7	Increase in customs fees (animal imports)	4/11 – (f)
8	New provision for electricity supply	SFC
9 & 10	Increase firearms fees	94/11 – 42
11	Increase fishery products fees	4/11 – (e)
12	Increase harbour dues	94/11 – 38
13	Increase in land charges fees	94/11 - 32
14	Increase in land (non-resident) fees	94/11 – 31
15	Increase in land registration etc fees	94/11 – 32
16	Increase in notaries public fees	94/11 - 31
17	Increase in plant import fees	4/11 – (f)
18	New provision for public health inspection fees	94/11 – 11(b)
19, 20 & 21	Increase in registration fees (incl. patents and marriage)	94/11 – 32
22	Increase retirement pension contributions and allowances	94/11 – 47 & SFC
23, 24 & 28	Increase various road traffic fees and charges and several new provisions	94/11 – 41 & 42 (c) (above)
29	Increase landing, parking and navigations fees (at Stanley)	94/11 – 7(a) & (b)
30	New provision in relation to taxable benefits in kind	107/11
31	Increase in Stanley Common fees	(c) (above)

4.2 The following issues should also be noted in relation to the Bill:

- 4.2.1 In relation the fees listed in paper 94/11, a couple of minor errors in the figures should be noted (which have been corrected in the Finance Bill where necessary):
- (a) customs clearance/entry fees listed in appendix 7 were incorrect (existing fees are greater than the figures given in the paper for the “current rate”); and
 - (b) in relation to the vehicle registration fees and driving licence fees listed at paragraph 5.6.9, there is no separate fee for exchange of a foreign driving licence, and there is no fee for a duplicate driving licence/registration document (the fee for a replacement driving licence essentially already covers this).
- 4.2.2 In relation to the fees listed in paper 4/11, there were also a couple of minor errors in the figures which should be noted (and which have been corrected in the Finance Bill where necessary):
- (a) the fee for a non-commercial importation of a plant is £3.40 and will increase to £3.60; and
 - (b) the fee for a dog licence is £30.30 (not £30).
- 4.2.3 Clause 8 includes new provision for electricity supply. This arises out of the decision of the Standing Finance Committee to increase the price of electricity. The Director of Public Works advises that a substantial number of electricity card meters are no longer realistically re-programmable to cater for an increase in electricity price. This means that the only practicable solution is to sell electricity cards at a price above face value. The law currently prohibits this. The new provisions would make this permissible (using the device of a surcharge). The new provisions are also a substantial change to existing provisions to ensure that they are fit for purpose in terms of reflecting existing practice generally, and they also incorporate a level of flexibility to accommodate some level of change to existing practices in future.
- 4.2.4 In considering the proposed public health charges listed as appendix 2 to paper 94/11, it is apparent that authority is required under the Public Health Ordinance to charge for public health inspections and testing, which is carried out occasionally. Clause 18 makes new provision for these charges. Backdated provisions to validate historic charges are not considered necessary/appropriate on the basis of the risk of challenge of those charges being low.
- 4.2.5 It is understood that, as part of their SFC deliberations, Members have asked that greater flexibility for the payment for vehicle licensing be allowed. An amendment to the Road Traffic Ordinance to this effect is included at clause 23.
- 4.2.6 In considering the various changes proposed to road traffic fees, the following also became apparent:

(a) that provision for a charge for a written test on the Road (Highway) Code appears to have been overlooked during last year's budget process - a new charge (of £5.00) is therefore included in clause 24; and

(b) an existing fee of 25 pence for providing a replacement driving licence on the expiry of driving endorsements doesn't appear to have been increased for many years – therefore has been brought in line with the fee for replacing a driving licence has been lost (£10.75).

4.2.7 In considering the fees for grazing on Stanley Common, it was noted that whilst there is no proposal to increase the fees, the fees as currently charged are not reflected in the existing legislation. Appropriate provision has been included in clause 27 to rectify this issue with effect from 1 July. Backdated provisions to validate historic charges are not considered necessary/appropriate on the basis of the risk of challenge of those charges being low.

4.2.8 Similarly, paper 94/11 noted that the fees currently charged at Stanley Airport are not as reflected in the existing legislation. The Finance Bill proposes to rectify that from 1 July. Backdated provisions to validate historic charges are not considered necessary/appropriate on the basis of the risk of challenge of those charges being low.

5.0 Financial Implications

As above

6.0 Legal Implications

None in addition to those already contained in the body of the paper.

7.0 Human Resources Implications

None.

Finance Bill 2011

(No: of 2011)

ARRANGEMENT OF PROVISIONS

Clause

1. Title
2. Commencement
3. Amendment of Banking Regulations Order
4. Amendment of Commissioners for Oaths Rules
5. Amendment of Companies and Private Partnership Ordinance
6. Amendment of Customs (Fees) Regulations
7. Amendment of Customs (Import Prohibitions)(Fees) Regulations
8. Amendment of Electricity Supply Regulations
9. Amendment of Firearms and Ammunition (Fees) Regulations Order
10. Amendment of Firearms and Ammunition Ordinance
11. Amendment of Fishery Products (Hygiene)(Fees) Regulations
12. Amendment of Harbours Regulations
13. Amendment of Land Charges Fees Rules
14. Amendment of Land (Non-residents)(Fees) Regulations
15. Amendment of Land Ordinance
16. Amendment of Notaries Public Rules
17. Amendment of Plant Importation Regulations
18. Amendment of Public Health Ordinance
19. Amendment of Registration of Marriages Regulations
20. Amendment of Registration of United Kingdom Patents Ordinance
21. Amendment of Registration Regulations

(3) Sections 3 and 22 come into force on 1 January 2012

(4) The rest of this Ordinance comes into force on 1 July 2011.

3. Amendment of the Banking Regulations Order

Regulation 4 of the Banking Regulations Order (Title 10.1.1) is amended by omitting “£2,000” and substituting “£3,000.00”.

4. Amendment of Commissioners for Oaths Rules

Rule 2 of the Commissioners for Oaths Rules (Title 22.1.1) is amended —

(a) by omitting “£6.50” and substituting “£6.70”; and

(b) by omitting “£3.00” and substituting “£3.10”.

5. Amendment of Companies and Private Partnership Ordinance

Schedule A to the Companies and Private Partnership Ordinance (Title 18.1) is repealed and the schedule set out in Schedule 1 is substituted.

6. Amendment of Customs (Fees) Regulations

The Customs (Fees) Regulations (SR&O No 10 of 2006) are amended —

(a) in regulation 3—

(i) by omitting “£66.40” in each place where it appears and substituting in each case “£68.40”;

(ii) in paragraph (a)(ii) by omitting “£33.20” and substituting “£34.20”;

(iii) by omitting “£99.60” in each place where it appears and substituting in each case “£102.60”;

(iv) in paragraph (c)(ii) by omitting “£49.80” and substituting “£51.30”;

(b) in regulation 4—

(i) by omitting “£49.00” in each place where it appears and substituting in each case “£50.00”;

(ii) by omitting “£240.00” in each place where it appears and substituting in each case “£248.00”;

(iii) in paragraph (3)(a) by omitting “£24.00” and substituting “£25.00”; and

(iv) in paragraph (3)(b) by omitting “£120.00” and substituting “£124.00”;

7. Amendment of Customs (Import Prohibitions)(Fees) Regulations

Regulation 3 of the Customs (Import Prohibitions)(Fees) Regulations (SR&O No 12 of 2009) is amended —

- (a) by omitting “£111.10” in each place where it appears and substituting in each case “£116.70”;
- (b) in paragraph (a)(ii) by omitting “£55.60” and substituting “£58.40”;
- (c) by omitting “£22.30” in each place where it appears and substituting “£23.40”;
- (d) by omitting “£11.20” in each place where it appears and substituting “£11.80”;
- (e) in paragraph (a)(vi) by omitting “£100.00” and substituting “£105.00”;
- (f) in paragraph (b)(i) by omitting “£13.40” and substituting “£14.10”; and
- (g) in paragraph (b)(iii) by omitting “£3.40” and substituting “£3.60”.

8. Amendment of Electricity Supply Regulations

(1) This section amends the Electricity Supply Regulations (Title 31.1.1).

(2) Regulation 2 is amended by —

(a) inserting the following definition after the definition of “area of supply” —

““card-operated meter” means a meter capable of requiring payment in advance for the electricity supplied through it by means of the insertion of a pre-payment card;”;

(b) inserting the following definition after the definition of “danger” —

““Director” means the Director of Public Works;” and

(c) inserting the following definitions after the definition of “premises” —

““pre-payment card” means a card or other token representing either —

(a) advance payment of an amount in money; or

(b) advance payment for a number of units of electricity;

“pre-payment meter” means a card-operated meter operating in a mode in which payment in advance is required in order for electricity to be supplied through it;”.

(3) Regulation 10 is revoked and the following regulation substituted —

“10. Electricity prices

(1) The Financial Secretary is responsible for —

(a) setting the prices at which electricity is supplied to consumers but must do so in accordance with the remainder of this regulation; and

- (b) keeping electricity prices under review.
- (2) Electricity prices may consist of one or more of the following elements —
- (a) a charge for each unit of electricity used;
 - (b) a standing charge based on time rather than usage;
 - (c) a percentage surcharge or discount applied to either or both of the following —
 - (i) the face value of pre-payment cards; and
 - (ii) the amount billed to consumers supplied other than via a pre-payment meter.
- (3) The Financial Secretary may set different electricity prices for different categories of premises or consumers.
- (4) When setting different prices for different categories of consumers, the Financial Secretary must have regard to regulation 31E (which prohibits discrimination between consumers supplied via pre-payment meters and other consumers in relation to the overall price of electricity).”
- (4) The following regulations are inserted after regulation 10 —

“10A. Electricity prices: variation

- (1) The Financial Secretary may vary electricity prices.
- (2) The Financial Secretary must arrange for a variation in electricity prices to be announced on the radio service operated under the Media Trust Ordinance (Title 59.1).
- (3) The variation may not take effect until the day after it is announced on that radio service but the Financial Secretary may specify a later date for the variation to come into effect.
- (4) The Financial Secretary must take other steps to ensure that the variation in electricity prices is adequately publicised.
- (5) The Financial Secretary must arrange for a notice of the variation to be published in the *Gazette* within one month of it taking effect.

10B. Electricity prices: advice and directions

- (1) The Director may advise the Financial Secretary in relation to the cost of producing and supplying electricity.
- (2) The Governor may give directions to the Financial Secretary in relation to electricity prices.

- (3) The Financial Secretary must take into account —
- (a) advice given by the Director; and
 - (b) directions given by the Governor.”
- (5) Regulation 29 is amended by omitting “£2” and substituting “£20”.
- (6) Regulations 31 to 31C are revoked and the following regulations substituted —

“31. Meter readings: official readings

- (1) The Director must take reasonable steps to ensure that meters (other than pre-payment meters) are (if possible) read officially at least once each year.
- (2) A consumer is bound absolutely by an official meter reading made under paragraph (1) for the purpose of calculating the amount due for the electricity supplied during the period that it covers.
- (3) For the purpose of proving an official meter reading, a consumer is bound by the records kept by (or on behalf of) the Director.
- (4) Unless there is evidence showing that an official meter reading was made incorrectly, it is not necessary for either —
- (a) the person who read the meter to give evidence to prove the reading; or
 - (b) a person who made an entry in the Director’s records to give evidence in order to prove the entry.

31A. Meter readings: consumers’ readings and estimates

- (1) The Director may require consumers (other than consumers supplied via pre-payment meters) to provide readings for their own meters between official meter readings made under regulation 31(1).
- (2) The Director may use a consumer’s reading to calculate the amount due for the electricity supplied during the period that it covers.
- (3) Paragraph (4) applies if either —
- (a) the consumer does not provide a reading within a reasonable period; or
 - (b) the Director thinks (based on the normal or likely pattern of usage for that consumer or at those premises) that the consumer’s reading may be incorrect.
- (4) If this paragraph applies, the Director may either —
- (a) arrange for an official meter reading to be carried out instead; or
 - (b) make a reasonable estimate what the reading would have been (based on the normal or likely pattern of usage for that consumer at those premises).

(5) Paragraph (6) applies if the Director makes an estimate under paragraph (4)(b).

(6) If this paragraph applies, the Director may use the estimate to calculate the amount due for electricity supplied during the period that it covers.

31B. Apportionment of usage

(1) Paragraph (2) applies if either of the following things happens between readings or estimates made under regulation 31 or regulation 31A —

(a) the price for the electricity being supplied is varied under regulation 10A;
or

(b) the price for the electricity being supplied changes because of a change in the category of the premises or the consumer.

(2) If this paragraph applies, the Director may make a reasonable apportionment (based on the normal or likely pattern of usage for that consumer at those premises) of the electricity used at each price.

31C. Pre-payment meters and cards

The Financial Secretary and the Director may agree the following matters in relation to pre-payment meters and cards —

(a) their design and type; and

(b) their method of operation.”

(7) The following regulations are inserted after regulation 31C —

“31D. Supply via pre-payment meters

(1) Either the Financial Secretary or the Director may direct that a consumer is to be supplied with electricity via a pre-payment meter.

(2) A consumer and the Director may agree that the consumer is to be supplied with electricity via a pre-payment meter.

31E. Price of electricity supplied via pre-payment meter

(1) The overall price of electricity supplied via a pre-payment meter must be the same as the overall price that would apply to the supply of electricity to the same consumer at the same premises via another meter.

(2) Paragraph (1) does not prevent the recovery of arrears under regulation 31F.

31F. Recovery of arrears via pre-payment meter

(1) Paragraph (2) applies if —

(a) a consumer is in arrears in respect of amounts due (but not paid) for electricity previously supplied; and

(b) either —

(i) the consumer agrees with the Director that the arrears are to be recovered via the consumer's pre-payment meter at an agreed rate; or

(ii) the Financial Secretary directs that the arrears are to be recovered via the consumer's pre-payment meter at a rate specified in the direction.

(2) If this paragraph applies, the Director must arrange for the pre-payment meter to be set so that a periodic amount (at the rate that has been agreed or specified) is charged in addition to the amounts charged for the electricity supplied to the consumer.

(3) Amounts charged under paragraph (2) must be applied to reduce the consumer's arrears.

(4) The Director must arrange for the recovery of arrears to come to an end as soon as the arrears are cleared.

31G. Sale of pre-payment cards

(1) The Financial Secretary must arrange for pre-payment cards to be available for purchase by consumers supplied via pre-payment meters.

(2) The Financial Secretary may enter into arrangements for the sale of pre-payment cards by agents.

(3) The price at which pre-payment cards are to be sold consists of —

(a) the face value of the card; and

(b) if one is being applied, the percentage surcharge or discount.

31H. Re-sale of pre-payment cards

(1) A person may purchase pre-payment cards for re-sale even if that person has not entered into an arrangement under regulation 31G(2).

(2) No person may re-sell a pre-payment card at a price higher than the price calculated under regulation 31G(3).

31I. Limits on purchase of pre-payment cards

(1) Paragraph (2) applies if the Financial Secretary thinks that it is reasonable to restrict the purchase of pre-payment cards.

(2) The Financial Secretary may impose limits on —

(a) the number of pre-payment cards that may be purchased in a single transaction; and

(b) the number of transactions for the purchase of pre-payment cards that may be made in a period by (or on behalf) of a person (or more than one person acting together).

(3) The Financial Secretary may also authorise those selling pre-payment cards under regulation 31G to refuse sales that they think would breach limits imposed under paragraph (2).

(4) No person may purchase pre-payment cards in breach of a limit imposed under paragraph (2).

(5) No person may knowingly or recklessly sell pre-payment cards in breach of a limit imposed under paragraph (2).”

9. Amendment of Firearms and Ammunition (Fees) Regulations Order

The Firearms and Ammunition (Fees) Regulations Order (Title 23.2.1) is amended —

(a) in regulation 2 by omitting “£17.00” and substituting “£17.50”;

(b) in the schedule—

(i) by omitting “£61.50” and substituting “£63.25”;

(ii) by omitting “£17.00” and substituting “£17.50”; and

(iii) by omitting “£33.75” and substituting “£34.75”.

10. Amendment of Firearms and Ammunition Ordinance

Section 4A(3) of the Firearms and Ammunition Ordinance is amended by omitting “£6.50” and substituting “£6.75”.

11. Amendment of Fishery Products (Hygiene)(Fees) Regulations

The schedule to the Fishery Products (Hygiene)(Fees) Regulations (SR&O No 41 of 1998) is amended —

(a) by omitting “£550.50” and substituting “£578.00”;

(b) by omitting “£222.20” and substituting “£233.30”; and

(c) by omitting “£116.20” and substituting “£154.60”.

12. Amendment of the Harbours Regulations

Schedule 3 of the Harbours Regulations (Title 57.3.1) is amended by omitting paragraph 1 and substituting —

“1. Harbour Dues

(a) Private pleasure yacht (under 50 tons) £64.00

(b) Other vessels:

Under 15 tons	£64.00
15 tons or more but under 30 tons	£116.00
30 tons or more but under 50 tons	£212.00
50 tons or more but under 800 tons	£318.00
800 tons or more but under 1,000 tons	£414.00
1,000 tons or more but under 1,500 tons	£478.00
1,500 tons or more but under 2,000 tons	£573.00
2,000 tons or more but under 5,000 tons	£700.00
5,000 tons or more but under 7,000 tons	£849.00
7,000 tons or more but under 10,000 tons	£1,273.00
10,000 tons or more but under 15,000 tons	£1,591.00
15,000 tons or more but under 20,000 tons	£1,857.00
20,000 tons or more but under 25,000 tons	£2,122.00
25,000 tons or more but under 30,000 tons	£2,440.00
30,000 tons or more but under 35,000 tons	£2,758.00
35,000 tons or more but under 40,000 tons	£3,077.00
40,000 tons or more but under 50,000 tons	£3,607.00
50,000 tons or more but under 60,000 tons	£4,244.00
60,000 tons or more but under 70,000 tons	£4,668.00
70,000 tons or more but under 80,000 tons	£5,198.00
80,000 tons or more	£5,729.00”

13. Amendment of Land Charges Fees Rules

Schedule 1 of the Land Charges Fees Rules (SR&O No 3 of 1997) is revoked and the schedule set out in Schedule 2 is substituted.

14. Amendment of Land (Non-residents)(Fees) Regulations

The schedule to the Land (Non-residents)(Fees) Regulations (SR&O No 13 of 2007) is amended —

- (a) by omitting “£105” and substituting “£108.20”; and
- (b) by omitting “£210” and substituting “£216.30”.

15. Amendment of Land Ordinance

Schedule 2 of the Land Ordinance (Title 45.2) is repealed and the schedule set out in Schedule 3 is substituted.

16. Amendment of Notaries Public Rules

The schedule to the Notaries Public Rules (Title 22.1.2) is amended —

- (a) by omitting “£90.50” in each place where it appears and substituting in each case “£93.20”;
- (b) by omitting “£26.70” in each place where it appears and substituting in each case “£27.50”;
- (c) by omitting “£13.00” in each place where it appears and substituting in each case “£13.40”;

(d) in paragraph 1 —

(i) by omitting “£6.50” and substituting “£6.70”; and

(ii) by omitting “£2.00” and substituting “£3.10”;

(e) in paragraph 3(a) by omitting “£31.70” and substituting “£32.70”;

(f) in paragraph 3(b) by omitting “£18.60” and substituting “£19.20”;

(g) in paragraph 5(a) by omitting “£3.00” and substituting “£3.10”; and

(h) in paragraph 5(b) by omitting “26 pence” and substituting “27 pence”.

17. Amendment of Plant Importation Regulations

Regulation 7 of the Plant Importation Regulations (Title 4.4.1) is amended —

(a) by omitting “£3.40” and substituting “£3.60”;

(b) by omitting “£111.10” and substituting “£116.70”; and

(c) by omitting “£13.40” and substituting “£14.10”.

18. Amendment of Public Health Ordinance

The Public Health Ordinance (Title 61.1) is amended by adding the following section after section 13—

“13A. Fees for inspections and testing

(1) A charge of £64.00 is payable for an inspection carried out under this Part.

(2) Charges may be made for any public health testing of food and drink where tests are carried out at the request of the person wishing to sell food and drink for human consumption.

(3) Charges made under subsection (2) must be published before they come into force.”

19. Amendment of Registration of Marriages Regulations

Section 18 of the Registration of Marriages Regulations (SR&O No 17 of 1999) is amended —

(a) by omitting “£24.00” in each place where it appears and substituting in each case “£25.00”;

(b) in paragraph (1)(b) by omitting “£61.00” and substituting “£63.00”;

(c) by omitting “£19.00” in each place where it appears and substituting in each case “£20.00”; and

(d) in paragraph (1)(h) by omitting “£309.00” and substituting “£318.50”.

20. Amendment of Registration of United Kingdom Patents Ordinance

The Registration of United Kingdom Patents Ordinance (Title 43.1) is amended —

(a) in section 3(d) by omitting “£500.00” and substituting “£550.00”; and

(b) in section 7 by omitting “£40.00” and substituting “£44.00”.

21. Amendment of Registration Regulations

Schedule 2 of the Registration Regulations (Title 62.2.1) is amended —

(a) by omitting “£12.50” in each place where it appears and substituting in each case “£13.00”;

(b) in paragraph 2 by omitting “£24.00” and substituting “£25.00”;

(c) in paragraph 4 by omitting “£2.50” and substituting “£2.60”;

(d) in paragraph 5 by omitting “£10.50” and substituting “£11.00”; and

(e) in paragraph 8 by omitting “30p” and substituting “35p”.

22. Amendment of Retirement Pensions (Prescribed Rates) Regulations

The Retirement Pensions (Prescribed Rates) Regulations (SR&O No 39 of 1996) are amended —

(a) in regulation 3 —

(i) by omitting “£119.00” and substituting “£123.00”;

(ii) by omitting “£67.00” and substituting “£69.00”;

(b) in regulation 5 —

(i) by omitting “£13.50” in each place where it appears and substituting in each case “£14.00”;

(ii) by omitting “£27.00” in each place where it appears and substituting in each case “£28.00”; and

(iii) in paragraph (3)(b) by omitting “£33.10” and substituting “£34.20”.

23. Amendment of Road Traffic Ordinance

(1) This section amends the Road Traffic Ordinance (Title 63.1).

(2) Section 4(1) is amended —

(a) in paragraph (a) by omitting “£47.75” and substituting “£49.25”;

(b) in paragraph (b) by omitting “£110.25” and substituting “£113.50”;

(c) in paragraph(c) by omitting “£169.75” and substituting “£174.75”;

(d) in paragraph (d) by omitting “£40.25” and substituting “£41.50”; and

(3) Section 4(2) is omitted and the following subsections substituted—

“(2) Where a vehicle licence for a vehicle of any description is taken out for a period of twelve months, vehicle duty is payable on the licence at the annual rate of duty applicable to vehicles of that description under subsection (1).

(2AA) Where a vehicle licence for a vehicle of any description is taken out—

(a) for a period of six months, vehicle duty is payable on the licence at a rate equal to fifty five per cent of that annual rate;

(b) for a period of four months, vehicle duty is payable on the licence at a rate equal to thirty-seven per cent of that annual rate;

(c) for a period of three months, vehicle duty is payable on the licence at a rate equal to twenty-eight per cent of that annual rate,

(d) for a period of two months, vehicle duty is payable on the licence at a rate equal to nineteen percent of the annual rate, and

(e) for a period of one month, vehicle duty is payable on the licence at a rate equal to ten per cent of the annual rate.

(2AAB) In determining a rate of duty under subsection (2A) any fraction of ten pence—

(a) if it exceeds five pence, is treated as ten pence; and

(b) otherwise, is disregarded.”

(4) Section 5(3) is amended by omitting “£5.50” and substituting “£5.75”.

(5) Section 6(15) is amended by omitting “25p” and substituting “£10.70”.

24. Amendment of Road Traffic (Provisional) Regulations Order

The Road Traffic (Provisional) Regulations Order (Title 63.1.1) is amended—

(a) in regulation 2(5) by omitting “£39.25” and substituting “£40.50”;

(b) in regulation 5(4) —

(i) in paragraph (a) by omitting “£26.75” and substituting “£27.50”;

(ii) by omitting paragraph (b) and substituting—

“(b) for administering a written test on the Road Code, approved by the chief police officer, is £5.00”

(ba) for administering a practical test of competency to drive, approved by the chief police officer, is £27.50; and”

(iii) in paragraph (c) by omitting “£12.50” and substituting “£13.00”; and

(c) in regulation 5A(2) by omitting “£10.50” and substituting “£10.75”;

25. Amendment of Stanley Airport Regulations

Schedule 2 of the Stanley Airport Regulations (Title 9.1.1) is amended —

(a) by omitting the heading and substituting —

“Aircraft Landing, Parking, and Navigation Charges”;

(b) by omitting paragraph 1 and substituting —

“1. The following charges are payable in relation to aircraft using Stanley Airport by reference to the aircraft’s maximum authorised take off weight (in metric tonnes):

Landing Charges

£21.63 per 0.5 tonne (or part of a 0.5 tonne unit)

Parking Charges

Parking charges are payable after the first two hours at the following rates for every complete twenty four hour period (commencing after the end of the first two hours):

(a) 5 tonnes or less:

£1.42 per 0.5 tonne (or part of a 0.5 tonne unit)

(b) 10 tonnes or less, but more than 5 tonnes:

£24.04

(c) more than 10 tonnes:

£24.04 plus £1.15 per 0.5 tonne (or part of a 0.5 tonne unit)

Navigation Charges

£31.93 per hour (or part of an hour) is payable when radio services are provided out of normal office hours (which are 07.30 to 16.30).”;

(c) by omitting paragraph 5 and substituting —

“5. If an aircraft carries out more than three consecutive landings as part of a training circuit, only 75% of the landing charge otherwise required under paragraph 1 is payable.”; and

(d) by omitting paragraph 8.

26. Amendment of the Taxes (Benefits in Kind) Rules

Rule 2 of the Taxes (Benefits in Kind) Rules (SR&O No 27 of 2003) is amended by inserting the following paragraph after subparagraph (b) —

“(ba) a director of a company is to be treated as being an employee of that company.”

27. Amendment of Trespass Ordinance

The schedule to the Trespass Ordinance (Title 5.6) is amended —

(a) in paragraph 1 by omitting “£25”, and substituting “£28.00”;

(b) in paragraph 2 by omitting “£80”, and substituting “£89.00”.

28. Amendment of Vehicle Licence Labels Regulations

Regulation 5(2) of the Vehicle Licence Labels Regulations (SR&O No 33 of 1998) is amended by omitting “£5.50” and substituting “£6.00”.

SCHEDULE 1

New Schedule A to Companies and Private Partnership Ordinance

(section 5)

SCHEDULE A

(section 4)

<u>Description</u>	<u>Fee</u>
1. Registration of incorporation of a company	£374.00
2. Registration of change of name of a company	£75.00
3. Certificate of registration of a company (other than on incorporation)	£75.00
4. Registration of mortgage, debenture or other charge	£63.00
5. Company file search	£25.00
6. Certified copy of any document held on a company file (plus additional charge of 26 pence per page certified in addition to the first page)	£25.00

7. Filing an annual return; except in relation to a company which the Registrar is satisfied is not trading	£75.00
8. Filing an annual return for a company which the Registrar is satisfied is not trading	£13.00
9. Penalty for the late filing of an annual return	£212.50
10. Notification of change of director or change of registered office	£13.00
11. Penalty for the late notification of a change of director or change of registered office (more than 14 days)	£53.00
12. Penalty for the late notification of a change of company secretary (more than 14 days)	£53.00
13. Notification of increase in nominal capital	£11.00
14. Notification of change of company accounting reference date	£11.00
15. Filing of company accounts	£53.50
16. Return of allotment of shares	£11.00
17. Notification of change in situation or address of registered office	£12.50
18. Notification of change of accounting reference date	£12.50
19. Notification of change of location of register of debenture holders	£12.50
20. Notification of increase in nominal capital	£12.50
21. Notification of particulars of a contract relating to shares allotted as fully or partly paid up otherwise than in cash	£12.50
22. Return by a company purchasing its own shares	£12.50
23. Declaration in relation to the redemption or purchase of shares out of capital	£12.50
24. Notification of change of location of director's service contract	£12.50
25. Notification of change of location of register of directors' interests in shares etc	£12.50
26. Notification of passing of resolution removing an auditor	£12.50
27. Notification of change of company secretary (less than 14 days)	£12.50

SCHEDULE 2
New Schedule 1 to Land Charges Fees Rules

(section 13)

SCHEDULE 1

(rule 3)

<u>Description</u>	<u>Fee</u>
1. Registration, renewal, rectification or cancellation of entry in register (per name)	£7.00
2. Certificate of cancellation	£3.50
3. Entry of priority notice (per name)	£3.50
4. Inspection of entry (per entry)	£3.50
5. Office copy of entry, including plan (per copy)	£3.50
6. Search of index, including certificate of result (per name)	£13.00

SCHEDULE 3
New Schedule 2 to Land Ordinance

(section 15)

SCHEDULE 2

Description

Fee

Part I

(section 9(3))

1. Registration of order of the Court under section 9	£13.00
2. Registration of any other deed, instrument or document —	
(a) first deed, instrument or document presented on the same occasion and affecting land in the same ownership	£126.00
(b) subsequent deed, instrument or document presented on the same occasion affecting the same title, not being a deed subdividing land under the same title	£25.00
(c) power of attorney —	
(i) the first title for which it is to be registered	£50.50

(ii) every subsequent title	£20.00
(d) revocation of a power of attorney —	
(i) the first title for which it is to be registered	£13.00
(ii) every subsequent title	£7.00
(e) change of name deed —	
(i) the first title for which it is to be registered	£75.00
(ii) every subsequent title	£38.00
(f) severance of joint tenancy in equity	£31.00
(g) discharge of mortgage (for every title affected)	£13.00
(h) assent (for every title affected)	£13.00
3. Certified copy deed, instrument or document (plus additional charge of 26 pence per page certified in addition to the first page)	£13.00
4. Preparation of plan	£31.00
5. Certification of registration of deed, instrument or document	£13.00
6. Preparation of deed, instrument or document, except Crown Grant or Crown Lease; hourly rate (proportion of hourly rate to be paid for every part hour)	£63.00

Part II

(section 45)

1. Title search; hourly rate (proportion of hourly rate to be paid for every part hour)	£50.00
2. Production of register or index for inspection (for each one)	£13.00
3. Comparing deed with registered deed	£13.00

OBJECTS AND REASONS

This Bill would do the following:

(1) Implement the new and amended allowances, benefits, charges, contributions, fees, and penalties set out below, with effect from 1 July 2011 (except clause 25, which comes into force on publication, and clauses 3 and 22, which commence on 1 January 2012):

Clause 3: Banking Licence

Banking Licence £2,000.00 increased to £3,000.00

Clause 4: Commissioners for Oaths

1. Administration of affidavit, affirmation or declaration £6.50 increased to £6.70

2. Exhibit to affidavit, affirmation or declaration £3.00 increased to £3.10

Clause 5: Companies

1. Registration of incorporation of a company £363.00 increased to £374.00

2. Registration of change of name of a company £72.50 increased to £75.00

3. Certificate of registration of a company (other than on incorporation) £72.50 increased to £75.00

4. Registration of mortgage, debenture or other charge £61.00 increased to £63.00

5. Company file search £24.00 increased to £25.00

6. Certified copy of any document on a company file £24.00 increased to £25.00

7. Filing an annual return (trading company) £72.50 increased to £75.00

8. Filing an annual return (non-trading company) £12.50 increased to £13.00

9. Penalty for the late filing of an annual return £206.00 increased to £212.50

10. Notification of change of director or registered office £12.50 increased to £13.00

11. Penalty for the late notification of a change of director, registered office, or company secretary (more than 14 days) £51.50 increased to £53.50

12. Notification of increase in nominal capital £10.50 increased to £11.00

13. Notification of change of company accounting date £10.50 increased to £11.00

14. Filing of company accounts £51.50 increased to £53.50

15. Return of allotment of shares £10.50 increased to £11.00

16. Notification of change in registered office	£12.00 increased to £12.50
17. Notification of change of accounting date	£12.00 increased to £12.50
18. Notification of change of location of register of debenture holders	£12.00 increased to £12.50
19. Notification of increase in nominal capital	£12.00 increased to £12.50
20. Notification of contract relating to shares allotted as fully or partly paid up otherwise than in cash	£12.00 increased to £12.50
21. Return by a company buying its own shares	£12.00 increased to £12.50
22. Declaration in relation to redemption or purchase of shares out of capital	£12.00 increased to £12.50
23. Notification of change in location of director's service contract	£12.00 increased to £12.50
24. Notification of change in location of register of directors' interests in shares etc	£12.00 increased to £12.50
25. Notification of passing of resolution removing an auditor	£12.00 increased to £12.50
26. Notification of change of company secretary	£12.00 increased to £12.50

Clause 6: Customs

1. Hourly rate which is the basis for service charges	£33.20 increased to £34.20
2. Entrance/clearance at declared port Vessel less than 50 tonnes	£24.00 increased to £25.00
3. Entrance/clearance at declared port Vessel 50 tonnes or more	£49.00 increased to £50.00
4. Entrance/clearance at undeclared port Vessel less than 50 tonnes	£120.00 increased to £124.00
5. Entrance/clearance at undeclared port Vessel 50 tonnes or more	£240.00 increased to £248.00

Clause 7: Animal imports

1. Importation of animal	£111.10 increased to £116.70
2. Importation of poultry/exotic pet – annual permit	£111.10 increased to £116.70

3. Importation of poultry/exotic pet – single permit	£55.60 increased to £58.40
4. Inspection and treatment on arrival - first 15 minutes (following 15 minutes)	£22.30 increased to £23.40 £11.20 increased to £11.80
5. Inspection after house quarantine	£11.20 increased to £11.80
6. Clearance from arrival port	
Mare Harbour	£100.00 increased to £105.00
Stanley	£22.30 increased to £23.40
7. Animal products import permit	
Commercial – annual permit	£111.10 increased to £116.70
Commercial - single permit	£13.40 increased to £14.10
Individual (non-commercial)	£3.40 increased to £3.60

Clauses 9 and 10: Firearms

1. Application to register as a firearms holder or as a licensed dealer, exporter, or importer	£17.00 increased to £17.50
2. Firearms and ammunition dealer's licence	£61.50 increased to £63.25
3. Ammunition dealer's licence	£17.00 increased to £17.50
4. Firearms licence	£33.75 increased to £34.75
5. Replacement licence	£6.50 increased to £6.75

Clause 11: Fishery Products

1. Application fee for approval	£550.50 increased to £578.00
2. Annual inspection	£222.20 increased to £233.30
3. Inspection on transshipment	£116.20 increased to £154.60

Clause 12: Harbour Dues

(a) Private pleasure yacht (under 50 tons)	£62.00 increased to £64.00
(b) Other vessels:	
Under 15 tons	£62.00 increased to £64.00
15 tons or more but under 30 tons	£113.00 increased to £116.00
30 tons or more but under 50 tons	£206.00 increased to £212.00
50 tons or more but under 800 tons	£309.00 increased to £318.00
800 tons or more but under 1,000 tons	£402.00 increased to £414.00
1,000 tons or more but under 1,500 tons	£464.00 increased to £478.00
1,500 tons or more but under 2,000 tons	£556.00 increased to £573.00

2,000 tons or more but under 5,000 tons	£680.00 increased to £700.00
5,000 tons or more but under 7,000 tons	£824.00 increased to £849.00
7,000 tons or more but under 10,000 tons	£1,236.00 increased to £1,273.00
10,000 tons or more but under 15,000 tons	£1,545.00 increased to £1,591.00
15,000 tons or more but under 20,000 tons	£1,803.00 increased to £1,857.00
20,000 tons or more but under 25,000 tons	£2,060.00 increased to £2,122.00
25,000 tons or more but under 30,000 tons	£2,369.00 increased to £2,440.00
30,000 tons or more but under 35,000 tons	£2,678.00 increased to £2,758.00
35,000 tons or more but under 40,000 tons	£2,978.00 increased to £3,077.00
40,000 tons or more but under 50,000 tons	£3,502.00 increased to £3,607.00
50,000 tons or more but under 60,000 tons	£4,120.00 increased to £4,244.00
60,000 tons or more but under 70,000 tons	£4,532.00 increased to £4,668.00
70,000 tons or more but under 80,000 tons	£5,047.00 increased to £5,198.00
80,000 tons or more	£5,562.00 increased to £5,729.00

Clause 13: Land Charges Register

1. Registration, renewal, rectification or cancellation of entry in register (per name)	£6.50 increased to £7.00
2. Certificate of cancellation	£3.00 increased to £3.50
3. Entry of priority notice (per name)	£3.00 increased to £3.50
4. Inspection of entry (per entry)	£3.00 increased to £3.50
5. Office copy of entry, including plan (per copy)	£3.00 increased to £3.50
6. Search of index, including certificate of result (per name)	£12.50 increased to £13.00

Clause 14: Licences to hold land

1. Basic application	£105.00 increased to £108.20
2. Retrospective or other non-basic application	£210.00 increased to £216.30

Clause 15: Land Register

1. Registration of order of the Court	£12.50 increased to £13.00
2. Registration of any other deed/instrument/document:	
(i) first item affecting land in same ownership	£121.00 increased to £126.00
(ii) subsequent item presented on same occasion affecting the same title (but not subdividing land under the same title)	£24.00 increased to £25.00
3. Power of attorney —	

(i) the first title for which it is to be registered	£49.00 increased to £50.50
(ii) every subsequent title	£19.00 increased to £20.00
4. Revocation of a power of attorney —	
(i) the first title for which it is to be registered	£12.50 increased to £13.00
(ii) every subsequent title	£6.50 increased to £7.00
5. Change of name deed —	
(i) the first title for which it is to be registered	£72.50 increased to £75.00
(ii) every subsequent title	£36.00 increased to £38.00
6. Severance of joint tenancy in equity	£30.00 increased to £31.00
7. Discharge of mortgage (for every title affected)	£12.50 increased to £13.00
8. Registration of assent	£12.50 increased to £13.00
9. Certified copy deed, instrument or document (plus additional charge of 26 per page certified in addition to the first page)	£12.50 increased to £13.00
10. Preparation of plan	£30.00 increased to £31.00
11. Certification of registration of deed, etc	£12.50 increased to £13.00
12. Preparation of deed, instrument or document; hourly rate	£61.00 increased to £63.00
13. Title search; hourly rate	£48.50 increased to £50.00
14. Production of register or index for inspection	£12.50 increased to £13.00
15. Comparing deed with registered deed	£12.50 increased to £13.00
<i>Clause 16: Notarial services</i>	
1. Administration of affidavit	£6.50 increased to £6.70
2. Exhibit to affidavit	£2.00 increased to £3.10
3. Administration of protests	£90.50 increased to £93.20
4. Minimum fee in connection with paragraph 3	£26.70 increased to £27.50

5. Preparation and attestation of notarial act in public form	£31.70 increased to £32.70
6. Preparation and attestation of notarial act not in public form	£18.60 increased to £19.20
7. Certification of true copies	
(a) not copied by notary additional cost per page	£13.00 increased to 13.40 £3.00 increased to £3.10
(b) copied by notary additional cost per page	£13.00 increased to £13.40 26p increased to 27p
8. Attending to protest bill of exchange or promissory note (per hour)	£90.50 increased to £93.20
9. Minimum fee in connection with paragraph 8	£26.70 increased to £27.50

Clause 17: Importation of plants

1. Permit for private importation	£3.40 increased to £3.60
2. Permit for annual commercial importation	£111.10 increased to £116.70
3. Permit for single commercial importation	£13.40 increased to £14.10

Clause 18: Public Health

New charge for public health inspection	£64.00
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New provision made for charges to be published for additional, voluntary, public health testing of food and drink intended for human consumption.

Clause 19: Marriages

1. Notice of marriage	£24.00 increased to £25.00
2. Certified copy marriage certificate	£24.00 increased to £25.00
3. Marriage by registrar	£24.00 increased to £25.00
4. Registrar General's licence	£61.00 increased to £63.00
5. Caveat against grant of licence	£19.00 increased to £20.00
6. Notice or certificate under Foreign Marriage Act	£19.00 increased to £20.00
7. Licence from Governor	£309.00 increased to £318.50

Clause 20: Patents

- | | |
|--------------------------------------|------------------------------|
| 1. Registration of new patent | £500.00 increased to £550.00 |
| 2. Renewal of registration of patent | £40.00 increased to £44.00 |

Clause 21: Registration

- | | |
|--|----------------------------|
| 1. Certified copy of entry of birth | £12.50 increased to £13.00 |
| 2. Certified copy of entry of marriage | £24.00 increased to £25.00 |
| 3. Search of register of births, deaths or marriages within ten years (per name per register) | £12.50 increased to £13.00 |
| 4. Search of register of births, deaths or marriages; each additional year (per name per register) | £2.50 increased to £2.60 |
| 5. Certified copy of death certificate | £10.50 increased to £11.00 |
| 6. Registration of an instrument (including birth) | £12.50 increased to £13.00 |
| 7. Certified copy of instrument | £12.50 increased to £13.00 |
| 8. Photocopy of document (per page) | 30p increased to 35p |

Clause 22: Retirement pensions

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|--|------------------------------|
| (a) Weekly retirement pension | £119.00 increased to £123.00 |
| (b) Married couple's supplement (weekly) | £67.00 increased to £69.00 |
| (c) Weekly contribution by employee and employer (including Members of the Legislative Assembly) | £13.50 increased to £14.00 |
| (d) Weekly contribution by self employed contributor | £27.00 increased to £28.00 |
| (e) Weekly contribution by voluntary resident contributor | £27.00 increased to £28.00 |
| (f) Weekly contribution by voluntary non-resident contributor | £33.10 increased to £34.20 |
| (g) Weekly assisted contribution payable by the Government | £27.00 increased to £28.00 |

Clauses 23, 24 and 28: Vehicle duty (tax), licensing and registration, and driver licensing and testing

- | | |
|--|----------------------------|
| 1. Annual vehicle duty (tax) for a motor vehicle | £47.75 increased to £49.25 |
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weighing 500kg or less

2. Annual vehicle duty (tax) for:

(a) a motor vehicle weighing between 500kg and 3400kg; and

(b) an agricultural tractor £110.25 increased to £113.50

3. Annual vehicle duty (tax) for a motor vehicle weighing more than 3400kg £169.75 increased to £174.75

4. Annual vehicle duty for (tax) for trailer £40.25 increased to £41.50

5. New licence periods are introduced for the purposes of paying vehicle duty, with the following respective percentages used to determine the proportion of the annual duty payable (in comparison, existing periods are 3, 6, or 9 months in which duty is payable on a pro-rata basis):

(a) 1 month 10%

(b) 2 months 19%

(c) 3 months 28%

(d) 4 months 37%

(e) 6 months 55%

6. Annual public service vehicle licence £5.50 increased to £5.75

7. Replacement licence on expiry or endorsements 25p increased to £10.70

8. Registration of vehicle/change of ownership £39.25 increased to £40.50

9. Driving licence £26.75 increased to £27.50

10. Driving test fee (practical) £26.75 increased to £27.50

11. New fee for written test on Road (Highway) Code £5.00

12. Provisional driving licence £12.50 increased to £13.00

13. Replacement driving licence £10.50 increased to £10.75

14. Replacement vehicle licence label £5.50 increased to £6.00

Clause 25: Stanley Airport

1. Landing (per 0.5 metric tonne) increased to £21.63

2. Parking (per 24 hour period)

(a) 5 tonnes or less (per 0.5 metric tonne) increased to £1.42

(b) 10 tonnes or less but more than 5 tonnes	increased to £24.04
(c) 10 tonnes or more	
Flat rate	increased to £24.04
<i>Plus</i> rate per 0.5 metric tonne	increased to £1.15
3. Navigation	increased to £31.93

Clause 27: Stanley Common

1. Grazing on Stanley Common (October to May)	£25.00 increased to £28.00
2. Grazing on Stanley Common (June to September)	£80.00 increased to £89.00

(2) through *clause 8*, amend the Electricity Supply Regulations (Title 31.1.1). It would be deemed to come into force on 27 May 2011.

Clause 8 would replace paragraph 10 of those regulations with paragraphs 10 to 10B. It would also replace paragraphs 31 to 31C with paragraphs 31 to 31I.

The main changes would be as follows:

- Responsibility for setting electricity prices and keeping them under review would be transferred from the Governor (acting on the advice of the Executive Council) to the Financial Secretary. However, the Financial Secretary would have to take into account directions from the Executive Council and advice from the Director of Public Works.
- Changes in electricity prices would still have to be published in the *Gazette* and there would be a new requirement for additional publicity (including at least one announcement on the Falkland Islands Radio Service) but changes could be brought into force as soon as the day after they are announced on the radio, even if the *Gazette* notice is not published until later.
- Although pre-payment cards for electricity have been sold in the past at a discount, this would now be reflected in the regulations and it would also become possible for cards to be sold for more than face value.
- The regulations would reflect the existing practice of using consumers' own readings of their meters; estimates could be used in a wider range of circumstances than currently; and it would be possible for usage to be apportioned between different price periods.
- Limits could formally be imposed on the purchase of pre-payment cards and breach of those limits would be prohibited, which would be an offence against regulation 34.

- The charge for a meter test (which has not been increased since 1979) would be increased from £2 to £20.

(3) through *clause 26*, amend the Taxes (Benefits in Kind) Rules, to provide that for the purposes of the rules, a company director is an “employee”.

ExCo paper 135/11: Finance Bill
Supplementary note about Stanley Airport charges – 23 May 2011

1. The position in relation to charges for Stanley Airport has changed since ExCo paper 135/11 was submitted, hence this supplementary note.

2. Paragraph 4.2.8 of ExCo paper 135/11 read as follows:

“Similarly, paper 94/11 noted that the fees currently charged at Stanley Airport are not as reflected in the existing legislation. The Finance Bill proposes to rectify that from 1 July. Backdated provisions to validate historic charges are not considered necessary/appropriate on the basis of the risk of challenge of those charges being low.”

2. The relevant sections of ExCo paper 94/11 (paragraph 5.1.4 and Appendix 1) had read as follows:

*“**Landing Fees** – Attorney General’s Chambers have advised that the current fee structure has not been implemented in legislation therefore this report seeks approval to revise the legislation in line with the charges already charged and propose that these fees are increased further by 3% from 1 July 2011 as detailed in Appendix 1.*

...

Please note legislation has not been updated since 2005 re the charges detailed in the first table above. The department has also highlighted that the charges per airframe have been historically undercharged (by approximately half). The rates shown above for 2010/11 will be implemented immediately.”

3. Although the risk of challenge had been assessed as being low, one operator (British International) has now queried the new (and substantially increased) charges, which Stanley Airport started to apply during April 2011.

4. Various issues in relation to landing charges (including the treatment of historic charges and the possibility that the level of charges makes Stanley Airport uncompetitive with MPA for attracting increased civil aviation business) will need to be addressed. It is proposed to deal with these in a follow up ExCo paper in June or July.

5. However, in the meantime, it is proposed to regularise the position for the time being by bringing the 2011/12 charges into force as soon as possible.

6. Amendments to the Stanley Airport Regulations had already been included in the Finance Bill. The commencement provision in clause 2 of the Finance Bill has now been amended to bring these amendments into force on publication of the Finance Ordinance is published in the *Gazette* (which is likely to be on or shortly after 1 June) rather than on 1 July 2011.

ExCo paper 135/11: Finance Bill
Supplementary note about electricity charges – 24 May 2011

1. This supplementary note is intended to explain changes that have been made to the Finance Bill in relation to electricity charges.

2. Paragraph 4.2.3 of ExCo paper 135/11 read as follows:

“Clause 8 includes new provision for electricity supply. This arises out of the decision of the Standing Finance Committee to increase the price of electricity. The Director of Public Works advises that a substantial number of electricity card meters are no longer realistically re-programmable to cater for an increase in electricity price. This means that the only practicable solution is to sell electricity cards at a price above face value. The law currently prohibits this. The new provisions would make this permissible (using the device of a surcharge). The new provisions are also a substantial change to existing provisions to ensure that they are fit for purpose in terms of reflecting existing practice generally, and they also incorporate a level of flexibility to accommodate some level of change to existing practices in future.”

3. Further consideration was given to how the amendments would work in practice on this first occasion.

4. As originally drafted, the new provisions would not come into effect until publication in the *Gazette*. That would mean that they would not yet be in force for this year’s Budget announcements.

5. Clause 2 of the Finance Bill has now been changed so that clause 8 would be deemed to come into force on 27 May 2011. This will allow the increase in electricity prices to be announced on Friday and put into effect from Saturday.

6. Another change has been made in clause 8 of the Bill (regulation 10(2)(c) of the Electricity Supply Regulations) make it clear that the surcharge mechanism can be applied to the sale of pre-payment cards without necessarily having to apply it to consumers who are billed for their electricity.