

**EXPLANATORY MEMORANDUM TO
THE TAX AND CIVIL PARTNERSHIP REGULATIONS 2006**

2006 No.

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

This memorandum contains information for the Select Committee on Statutory Instruments.

- 2. Description**

These instruments relate to, and supplement, Part 4 of the Finance Act 2004 as amended.

- 3. Matters of special interest to the Select Committee on Statutory Instruments**

The new simplified pensions tax regime in Finance Act 2004, as amended by the Finance Acts 2005 and 2006 and which took effect from 6 April 2006. These provisions supplement the new simplified tax regime with a consequential amendment to Schedule 28 of Finance Act 2004 to bring it in line with the Civil Partnership Act 2004.

- 4. Legislative Background**

The powers to make these provisions are contained in section 103 Finance Act 2005 which allows for regulations to be made to comply with the Civil Partnership Act.

- 5. Extent**

These instruments apply throughout the United Kingdom.

- 6. European Convention on Human Rights**

The Economic Secretary to the Treasury, [Ed Balls MP] has made the following statement regarding Human Rights:

In my view the provisions of the Tax and Civil Partnership Regulations 2006 are compatible with the Convention rights. The provisions amend primary legislation hence appear to fall within the rules for giving a compatibility statement.

- 7. Policy Background**

7.1 The Civil Partnership Act enables same-sex couples to obtain legal recognition of their relationship by forming a civil partnership.

7.2 .This instrument consequentially amends schedule 28 of Part 4 of the Finance Act 2004 and the Pensions Schemes (Application of UK Provisions to Relevant Non-UK Schemes) Regulations 2006 (S.I. 2006/207) so that references to “marrying” “marriage” and “spouse or ex-spouse” are updated to include civil partnerships and civil partners or former civil partners

8. Impact

The impact of these regulations is contained within the Simplifying the taxation of pensions Regulatory Impact Assessment and Appendix which can be found at www.hmrc.gov.uk/ria/simplifying-pensions.pdf and www.hmrc.gov.uk/ria/simplifying-pensions-appendix.pdf .

9. Contact

Therese Isaac at HM Revenue & Customs (tel: 020 7147 2851 or e-mail: Therese.Isaac@hmrc.gsi.gov.uk) can answer any queries regarding the instrument.