



BRITISH BANKERS' ASSOCIATION

Westminster Watch

Week Commencing 10th January 2005

This is also available from the BBA website

www.bba.org.uk

Commentary

In the last week before Parliament rose for the Christmas break, the DTI published the Employer Task Force on Pensions report on Monday 13th December. The report set out recommendation to help re-invigorate employer pension provision. The report stated that the Government needs to do more to encourage individual understanding and to make pensions more user-friendly, so more people will take up and value the help that their employer provides. It also makes clear that individuals must take responsibility for themselves. Following the report's recommendations the Government will set up a website as a tool for employers drawing together all the work that has been done by employers to promote pensions. The Government also welcomed the task force's recommendation to improve access to pension information for small businesses through a web portal. Next year the Government will be testing and evaluating improved information services to support small employers. The Government will now consider the report alongside the work of the Pensions Commission.

On Tuesday 14th December Paymaster General Dawn Primarolo informed MPs that legislation to prevent companies bringing forward tax relief for losses prior to transition to international accounting standards is to be included in the Finance Bill 2005. The legislation will apply to losses arising on transactions that are designed to accelerate relief that would otherwise be deferred. In Treasury questions in the Commons on Thursday 16th December, Lawrie Quinn MP asked the Economic Secretary what the Treasury is doing to make sure that the most disadvantaged communities receive support from the British banking industry via the establishment of credit unions and savings clubs. Economic secretary John Healey in response highlighted the savings gateway pilot, in which the Government matched the savings of the poorest and informed MPs that as announced in the pre-Budget report, the scheme would receive another £15 million and be rolled out further to test its impact.

Both Houses will return this week and the Consumer Credit Bill will receive its second reading in the Commons on Thursday 13th January. The BBA will be briefing MPs with our views concerning aspects of the Bill.

BILLS

GOVERNMENT MEASURES

<http://www.publications.parliament.uk/pa/pabills.htm>

Charities Bill

Awaits Parliamentary introduction.

The Bill would:

New statutory definition of "charity" to consist of a two-stage test: organisation's purposes must fall within one of twelve listed charitable purposes; and it must be established for the public benefit. Measures intended to make merger, evolution and administration easier for charities. New legal form for charities, the Charitable Incorporated Company. Licensing scheme for public collections. Power to introduce statutory regulation of fundraising. New registration requirements for charities. Reforms to the functions and powers of the Charity Commission. An independent tribunal for appeals against the legal decisions of the Charity Commission as registrar and regulator.

Commissioners for Revenue and Customs Bill
In Commons Committee.

The Bill would:

Integration of the revenue departments - Inland Revenue and HM Customs & Excise - into a single department to be called HM Revenue and Customs ("HMRC"). Statutory definition of the relationship between HM Treasury and HMRC: HM Treasury will lead tax policy development and conduct more high-level analysis of the tax regime, with HMRC leading policy maintenance and delivery. Transfer of existing powers of the Inland Revenue and HM Customs & Excise to HMRC. Creation of an independent prosecutions office responsible for external scrutiny of HMRC's criminal investigation work, accountable to the Attorney General.

Consumer Credit Bill

Commons second reading Thursday 13th January 2005.

The Bill would:

A new consumer credit licensing regime for the Office of Fair Trading. Introduction of a new test of "unfair credit transaction" in place of the existing extortionate credit bargain provisions in the Consumer Credit Act 1974 ("the Act"), with some retrospective effect. Introduction of an alternative dispute resolution mechanism to resolve disputes arising from consumer credit agreements run by the Financial Ombudsman. New requirement for lenders to provide annual statements and an arrears notice with an OFT information sheet on what to do about arrears.

Disability Discrimination Bill

Provisional Lords Grand Committee Thursday 13th January 2005.

The Bill would:

A new definition of "disability", to include people with HIV, cancer and multiple sclerosis from the point of diagnosis, and removal of the requirement that a mental illness must be "clinically well recognised". Allows the extension of the Disability Discrimination Act 1995 (the "DDA") to cover the provision of transport vehicles. Extension of the DDA to encompass most activities of public bodies - for example, arrest, planning and issuing of licences. A new duty on public bodies (including "any person certain of whose functions are functions of a public nature") to promote equality of opportunity for disabled people. Requirement on landlords of rented premises to make "reasonable adjustments" to ensure that disabled people can enjoy their property. Provisions to extend legislation to private clubs with 25 or more members. Regulation-making power to deem people to be disabled, if case law shows definition of "disability" in the DDA is not operating as intended.

European Union Bill

Awaits Parliamentary introduction.

The Bill would:

Measures to allow for the holding of a referendum for the ratification in the United Kingdom of the EU Constitution.

Identity Cards Bill

In Commons Committee.

The Draft Bill would:

A National Identity Register to be established. A power to issue identity cards. Powers to ensure checks can be made against other databases to confirm an applicant's identity. Provisions to allow private and public sector organisations access to the Register to verify identity. An offence to possess false identity documents or to provide false information in order to secure an entry in the Register or to obtain an ID card. Power to make public

services conditional on identity checks. Provisions relating to the appointment of a National Identity Scheme Commissioner. Future power to require registration to become compulsory, including penalties against failing to register. Power to make regulations on fees relating to the Register and to ID cards.

Mental Capacity Bill

Lords Second reading Monday 10th January 2005.

The Bill would:

New rules to govern decision-making on behalf of other adults, both where they lose mental capacity at some point in their lives and where the incapacitating condition has been present since birth. New statutory definition of "mental capacity". Statutory Guidance on how to determine someone's "best interests". Covers a wide range of decisions, on personal welfare as well as financial matters and substitute decision-making by attorneys, a court or court-appointed "deputies", and clarifies the position where no such formal process has been adopted. Creation of new lasting powers of attorney to replace enduring powers of attorney, subject to a new compulsory registration scheme. New independent "consultee" to provide advice in relation to certain decisions. Recourse, where necessary, and at the appropriate level, to a court with power to deal with all personal welfare (including health care) and financial decisions on behalf of adults lacking capacity. Provision for people to make a "living will", setting out in advance the circumstances in which they will refuse medical treatment.

Serious Organised Crime and Police Bill

In Commons Committee.

The Bill would:

Creation of the Serious Organised Crime Agency, bringing together NCIS, NCS, parts of Customs & Excise, and of the Home Office. Creation of new post-release licence conditions, including scrutiny of financial status, and restrictions on travel and on association with individuals. Radical overhaul of police powers in the Police and Criminal Evidence Act 1984. Further powers for Community Support Officers and other police support staff. Removal of automatic reporting restrictions on conviction of a juvenile for breach of an Anti-Social Behaviour Order. New police powers to remove protestors from outside houses. A new offence of protesting outside homes in a way that causes harassment, alarm or distress. Extension of Protection from Harassment Act 1997 to harassment of two or more connected persons. New offence of incitement to religious hatred.

DRAFT BILLS

Company Law Reform Bill

Awaits Parliamentary scrutiny.

The Draft Bill would:

Draft Bill is expected to clarify directors' responsibilities and reform rules on directors' conflicts of interest. Also likely to introduce provisions to amend primary company legislation by "super-affirmative" secondary legislation. It would also deregulate the rules on the register of past and present members, clarify the rules on transfer of assets at book value between group companies, and remove a number of requirements for private companies.

Business

Monday 10th January

LORDS

Mental Capacity Bill—Second Reading [The Baroness Ashton of Upholland]

Thursday 13th January

COMMONS

Consumer Credit Bill – Second Reading

LORDS

Disability Discrimination Bill [HL] — Grand Committee [The Baroness Hollis of Heigham]

Questions

Monday 10th January

COMMONS

Questions for written answer

27 **Mr Martyn Jones** (Clwyd South, Lab): To ask Mr Chancellor of the Exchequer, what progress he has made in his **negotiations with banks and building societies in persuading them to use dormant accounts which cannot be reunited with their owners for the support of good causes.** (207272)

28 **Mr Martyn Jones** (Clwyd South, Lab): To ask Mr Chancellor of the Exchequer, if he will make a **statement on his negotiations with banks and building societies regarding the identification and return of (a) dormant and (b) orphan bank accounts;** and if he will make a statement. (207273)

260 **Mr Martyn Jones** (Clwyd South, Lab): To ask the Secretary of State for the Home Department, what progress has been made with his **Department's project examining the feasibility of sharing data about deceased persons with organisations involved in fraud prevention.** (207195)

322 **Brian Cotter** (Weston-Super-Mare, Lib-Dem): To ask the Secretary of State for Trade and Industry, who is responsible for the **operation of the Post Office Card Account helpline.** (207250)

323 **Brian Cotter** (Weston-Super-Mare, Lib-Dem): To ask the Secretary of State for Trade and Industry, **how many complaints have been received on the operation of Post Office Card Accounts** since their introduction. (207251)

Tuesday 11th January

COMMONS

Questions for oral answer to the Secretary of State for Scotland

19 **Jim Sheridan** (West Renfrewshire, Lab): What discussions he has had with the Chancellor of the Exchequer on the implementation in Scotland of the **Child Trust Fund.**

33 **Mr David Marshall** (Glasgow Shettleston, Lab): What discussions he has had with the Chancellor of the Exchequer on the **roll out of the Child Trust Fund in Scotland;** and if he will make a statement.

Wednesday 12th January

COMMONS

Questions for oral answer to the Prime Minister

*1 **Vera Baird** (Redcar, Lab), *3 **Mr Edward Leigh** (Gainsborough, Con); *4 **Chris Bryant** (Rhondda, Lab); *5 **Ms Karen Buck** (Regent's Park & Kensington North, Lab); *8 **Mr Brian H. Donohoe** (Cunninghame South, Lab); *9 **Miss Anne Begg** (Aberdeen South, Lab); *10 **David Winnick** (Walsall

North, Lab); *11 **Mr Mark Hendrick** (Preston, Lab); *14 **Mr John Grogan** (Selby, Lab); *15 **Dr Nick Palmer** (Broxtowe, Lab); *18 **Paddy Tipping** (Sherwood, Lab); *19 **Claire Ward** (Watford, Lab); *20 **Mrs Patsy Calton** (Cheadle, Lib-Dem); *21 **Mrs Louise Ellman** (Liverpool, Riverside, Lab); *25 **Mr Andrew Mackay** (Bracknell, Con).

Committees

Wednesday 12th January

COMMONS

European Scrutiny
2.30pm
Room 19

EU's Constitutional Treaty
Witnesses: Professor Alan Dashwood and Martin Howe QC

EARLY DAY MOTIONS

EDM's can be found at: <http://edm.ais.co.uk/>

EDM381 MUTUAL SECTOR

Ms Meg Munn **12:12:04** 65 signatures.

That this House welcomes the publication of The All Party Parliamentary Building Societies and Financial Mutuals Group Short Inquiry into financial mutuals and the Mutuo Report 'Mutuals and their Communities: how one in three enjoy the mutual advantage'; notes that both these reports demonstrate that mutuals are continuing to offer high quality services and good value to their members whilst maintaining their commitment to local communities; further notes that their presence in a mixed economy offers choice and competition; and calls upon Her Majesty's Treasury to take full account of the economic and social contribution of the mutual sector in its forthcoming Myners Report.

EDM362 TAX AVOIDANCE

Mr Austin Mitchell **9:12:04** 40 signatures, was 2.

That this House welcomes the Government's Pre-Budget report and its proposal to clamp down on artificial tax avoidance schemes; urges it to end the domicile, residence and the offshore tax avoidance loop-holes that enable millionaires and numerous companies trading in the UK to avoid UK taxes; and further urges the Government to introduce the General Anti-Avoidance Principle as a matter of priority so that transactions lacking normal commercial substance and solely entered into for the purpose of tax avoidance are ignored for tax purposes, thereby providing certainty, fairness and clarity, which the UK's taxation system requires to prevent abusive tax avoidance, to protect the interests of ordinary citizens who are committed to making their contribution to society, to avoid an unnecessary burden of tax on individual tax payers and to ensure that companies pay fair taxes on profits generated in this country.

EDM359 PENSION ASSISTANCE FUND

Mr Dave Watts **9:12:04** 123 signatures, was 56.

That this House notes that thousands of workers now face real hardship and reduced pension rights in their old age as a result of the fact that their pension schemes were in deficit when their employers' companies went into receivership or bankruptcy; welcomes the decision by the Government to set up a £400 million Pension Assistance Fund; now calls on the pension industry to accept its moral responsibility for the present problems and to make a substantial contribution to the Government Pension Assistance Fund; and believes that such a contribution is the only way in which the industry can start to rebuild confidence in its products.

EDM345 CASH DISPENSERS ON MILITARY BASES

Mr Michael Weir **8:12:04** 30 signatures, was 19.

That this House notes with concern the increase in charging for cash dispensing machines; is particularly concerned about reports that of the 268 cash dispensers on military bases in the UK, only 18 are free; further notes that it is often difficult for service personnel and their families to get cash outside the bases; and calls on the Government to ensure that all cash dispensers on military bases are free to use.

EDM336
MENTAL CAPACITY BILL

Mr Iain Duncan Smith **7:12:04** 106 signatures, was 89.

That this House notes the most recent report from the Joint Committee on Human Rights which is severely critical of sections of the Mental Capacity Bill; notes in particular the criticism of those sections dealing with the withholding and withdrawing of life-sustaining treatment and of assisted food and fluids; further notes the conclusion that the presumption in favour of life-sustaining treatment in relation to the withdrawal of assisted food and fluids is not sufficiently strong in the Bill to satisfy the requirements of the European Convention on Human Rights (Articles 2, 3 and 8); believes that it would be disastrous if the Bill, which has the laudable aim of seeking to transform the lives of mentally incapacitated individuals and their carers, were to become a vehicle for the introduction of euthanasia; regrets that, despite Government assurances, the declaratory provision in Clause 58 that nothing in the Bill is to be taken to affect the law relating to murder, manslaughter and suicide is not sufficient to rule out the threat of euthanasia by omission posed by the Bill; and calls upon the Government to take note of the report from the Joint Committee on Human Rights and to amend the Mental Capacity Bill to make it clear that it gives no statutory authority to any decision made with a purpose of bringing about the death of the person about whose personal welfare the decision is made.