

Mr Peter Hall
Finance Committee Clerk
Northern Ireland Assembly
Parliament Buildings
Stormont
Belfast BT4 3XX

Private Office
2nd Floor
Clare House
303 Airport Road West
BELFAST
BT3 9ED
Tel:
Email:

Our reference: 2026

Date: 03 March 2026

Dear Peter,

The Department of Finance proposes to make a Statutory Rule under powers conferred by Article 37(4) of the Rates (Northern Ireland) Order 1977. The Statutory Rule is subject to negative resolution procedure before the Assembly.

Title of Draft Statutory Rule

The Valuation (Telecommunications, Natural Gas and Water) (Amendment) Regulations (Northern Ireland) 2026.

Proposed Commencement Date

It is proposed that the rule will come into operation for 1 April 2026.

Purpose of Draft Rule

The nature of telecommunications and natural gas undertakings requires companies working in these fields to occupy or own various properties in more than one place. Paragraph (4) of Article 37 of the Rates (Northern Ireland) Order 1977 empowers the Department to prescribe, by Regulations, that anything which would (apart from the Regulations) be more than one hereditament shall be treated as one hereditament. In this way the various properties occupied or owned by any one company can be treated as one hereditament for the purposes of valuing the utility's network for rating purposes.

Paragraph (5) of Article 37 of the Rates (Northern Ireland) Order 1977 was introduced by paragraph 3 of Schedule 1 to the Rates (Amendment) Act (Northern Ireland) 2009 (c.8 (N.I.)) and empowers the Department to include certain rules in any Regulations made under Article 37(4) to prescribe whether the single hereditament may be treated

as occupied or unoccupied and who shall be treated as the owner or occupier of the hereditament.

The prescribed Regulations are the Valuation (Telecommunications, Natural Gas and Water) Regulations (Northern Ireland) 2010 and the new draft Rule will serve to update the names of the gas transportation companies working in this field that are included in the Schedule to these Regulations.

Implications of Draft Rule

The draft Rule amends the Valuation (Telecommunications, Natural Gas and Water) Regulations (Northern Ireland) 2010 (“the 2010 Regulations”) and serves to update the Statutory Rule to reflect the name change of Firmus Energy (Distribution) Ltd to Kinecx Energy Limited.

Summary of Consultation and Outcome

No consultation is required in respect of these Regulations which extend existing taxation treatment to the gas transportation market in Northern Ireland following this name change. Routine adjustments of the Schedule to reflect changes in companies is a long recognised and established feature of the rating system.

Consideration by the Executive

Not required.

Title of GB Statutory Instrument

The following GB statutory instruments provide that the many hereditaments of a named utility company shall be treated as one hereditament for the purposes of rating;

the Non-Domestic Rating (Telecommunications and Canals) (Scotland) Order 1995 (S.I. 1995/239) as amended;

the Central Rating List (Wales) Regulations 2005 (S.I. 2005/422 (W.40)) as amended; and

the Central Rating List (England) Regulations 2005 (S.I. 2005/551) as amended.

European Convention on Human Rights

In the view of the Department of Finance, the provisions of this Statutory Rule are compatible with Convention Rights.

Equality Impact

The Rule will implement existing and longstanding policy in respect of the business rates system and makes no policy change.

Regulatory Impact

A Regulatory Impact Assessment was not carried out on this amending Rule. This is a technical market device linked to rating valuation assessment and imposes no new regulatory impact.

Rural Needs Impact Assessment

The policy does not change or impact disproportionately anything in relation to persons living in rural areas. This is a technical market device linked to rating valuation assessment.

Data Protection Impact

The proposals do not involve or change the collection, processing or sharing of personal data therefore, a Data Impact Assessment is not necessary.

Child Rights Impact

The proposals do not involve any direct impact on children's rights therefore, a Child Rights Impact Assessment is not necessary. This is a technical market device linked to rating valuation assessment.

Financial Implications

There are no new financial implications arising from these Regulations. This is a technical market device linked to rating valuation assessment.

Proposed timing of consideration of the SL1

The SL1 has been submitted to the Committee in accordance with the minimum four week timeframe and the Department would propose that the Committee considers it at their next scheduled meeting to ensure that the Rules come into operation as soon as possible.

Section 24 Northern Ireland Act 1998

The draft Rule is compliant with Section 24 of the Northern Ireland Act 1998.

Details of any European Obligation Implemented by the Draft Rule

There are no relevant European Regulations or Directives.

Proposed Operational Date

It is proposed that the rule will come into operation as soon as possible subject to standard Assembly and Committee processes.

Submission of Statutory Rule and Explanatory Memorandum

The Rule together with an Explanatory Memorandum will be submitted to the Committee at the same time as the rule is sent to the Assembly Business Office for laying.

You will wish to bring this matter to the attention of Members.

Yours sincerely,

DEPARTMENTAL ASSEMBLY LIAISON OFFICER