

FINANCE ACT 2010

EXPLANATORY NOTES

INTRODUCTION

Section 56 and Schedule 17: Disclosure of Tax Avoidance Schemes

Summary

1. **Section 56** and Schedule 17 amend provisions in Part 7 of the Finance Act (FA) 2004 (Part 7), which require promoters and users of certain tax avoidance schemes to provide information about them to HM Revenue & Customs (HMRC); and section 98C of the Taxes Management Act 1970 (TMA), which provides for penalties for non-compliance with those duties. In particular, they amend the definition of “promoter” and the time at which the duty to disclose a scheme arises; require promoters of notifiable schemes periodically to provide lists of clients; empower HMRC to require intermediaries who are concerned in the marketing of a scheme, but who are not promoters, to identify the promoter; and substantially increase the penalties available to the Tribunal where a scheme is not disclosed as required.
2. Powers are also taken to vary the amounts of penalties should that appear necessary. All regulations varying penalty amounts are subject to an affirmative resolution of the House of Commons.