



# Finance Act 2000

## 2000 CHAPTER 17

### PART VI

#### MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

##### *Compliance*

#### **144 Offence of fraudulent evasion of income tax**

- (1) A person commits an offence if he is knowingly concerned in the fraudulent evasion of income tax by him or any other person.
- (2) A person guilty of an offence under this section is liable—
  - (a) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both;
  - (b) on conviction on indictment, to imprisonment for a term not exceeding seven years or a fine, or both.
- (3) This section applies to things done or omitted on or after 1st January 2001.

#### **145 Information about interest etc paid, credited or received.**

- (1) In section 17 of the <sup>M1</sup>Taxes Management Act 1970 (interest paid or credited by banks etc without or after deduction of tax), subsections (4B) and (4C) shall cease to have effect.
- (2) In subsection (5) of that section—
  - (a) for paragraph (c) there shall be substituted—
    - “(c) that if a person is required—
      - (i) to make and deliver a return under subsection (1) above;
      - (ii) to include information in such a return under any provision made under paragraph (a) above; or

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- (iii) to furnish information under any provision made under paragraph (b) above,  
 and the notice under subsection (1) above specifies the form in which the return is to be made and delivered, or the information is to be included or furnished, the person shall make and deliver the return, or include or furnish the information, in that form;”;
- and
- (b) at the end there shall be inserted—
- “The further information required as mentioned in paragraph (a) or (b) above may include, in prescribed cases, the name and address of the person beneficially entitled to the interest paid or credited.”.
- (3) After paragraph (a) of subsection (6) of that section there shall be inserted—
- “(aa) may make provision with respect to the furnishing of information by persons required—
- (i) to make and deliver a return under subsection (1) above;
- (ii) to include information in such a return under any provision made under subsection (5)(a) above; or
- (iii) to furnish information under any provision made under subsection (5)(b) above,  
 including the inspection of books, documents and other records on behalf of the Board;”.
- (4) In subsection (1) of section 18 of that Act (interest paid without or after deduction of tax)—
- (a) for “by whom” there shall be substituted “ by or through whom ”; and
- (b) for “who receives any such interest” there shall be substituted “ by whom any such interest is received ”.
- (5) Subsections (3) and (3AA) of that section shall cease to have effect.
- (6) In subsection (3A) of that section, after “interest paid” there shall be inserted “ or received ”.
- (7) At the end of subsection (3B) of that section there shall be inserted—
- “The further information required as mentioned in paragraph (a) above may include, in prescribed cases, the name and address of the person beneficially entitled to the interest paid or received.”.
- (8) After paragraph (a) of subsection (3C) of that section there shall be inserted—
- “(aa) may make provision with respect to the furnishing of information by persons required to furnish information under subsection (1) above, or under any provision made under subsection (3B)(a) above, including the inspection of books, documents and other records on behalf of the Board;”.
- (9) For subsection (3D) of that section there shall be substituted—
- “(3D) For the purposes of this section interest shall be treated as received by any person if it is received by another person at his direction or with his consent.

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- (3E) For the purposes of this section the following shall be treated as interest—
- (a) any dividend in respect of a share in a building society;
  - (b) any amount to which a person holding a relevant discounted security is entitled on the redemption of that security; and
  - (c) any foreign dividend.
- (3F) In subsection (3E)(b) above “relevant discounted security” has the meaning given by paragraph 3 of Schedule 13 to the <sup>M2</sup>Finance Act 1996.
- (3G) In subsection (3E)(c) above “foreign dividend” means any annual payment, interest or dividend payable out of, or in respect of the stocks, funds, shares or securities of—
- (a) a body of persons that is not resident in the United Kingdom, or
  - (b) a government or public or local authority in a country outside the United Kingdom.”.
- (10) Section 482A of Taxes Act 1988 (audit powers in relation to non-residents) shall cease to have effect.
- (11) This section has effect in relation to amounts paid, credited or received on or after 6th April 2001.

#### Marginal Citations

M1 1970 c. 9.

M2 1996 c. 8.

## 146 International exchange of information: general.

- (1) After section 815B of the Taxes Act 1988 there shall be inserted—

### “815C Exchange of information with other countries.

- (1) If Her Majesty by Order in Council declares that arrangements specified in the Order have been made with the government of any territory outside the United Kingdom with a view to the exchange of information necessary for carrying out—
- (a) the domestic laws of the United Kingdom concerning income tax, capital gains tax and corporation tax in respect of income and chargeable gains; and
  - (b) the laws of the territory to which the arrangements relate concerning any taxes of a similar character to those taxes imposed by the laws of that territory,
- and that it is expedient that those arrangements shall have effect, then those arrangements shall have effect notwithstanding anything in any enactment.
- (2) Any Order in Council made under this section revoking an earlier such Order in Council may contain such transitional provisions as appear to Her Majesty to be necessary or expedient.

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- (3) An Order under this section shall not be submitted to Her Majesty in Council unless a draft of the Order has been laid before and approved by a resolution of the House of Commons.”.
- (2) In subsection (2) of section 816 of that Act (disclosure of information), after “section 788” there shall be inserted “ or 815C ” and after that subsection there shall be inserted—
- “(2ZA) Neither the Board nor an authorised officer of the Board shall disclose any information in pursuance of any arrangements having effect by virtue of section 815C unless satisfied that the government with which the arrangements are made is bound by, or has undertaken to observe, rules of confidentiality with respect to the information which are not less strict than those applying to it in the United Kingdom.”.
- (3) Subsections (1) to (8) and (8C) to (9) of section 20 of the <sup>M3</sup>Taxes Management Act 1970 (powers to call for information relevant to liability to income tax, corporation tax or capital gains tax) shall have effect as if the references in those provisions to tax liability included a reference to liability to a tax which—
- (a) is a tax of a territory outside the United Kingdom; and
  - (b) is covered by arrangements having effect under section 788 or 815C of the Taxes Act 1988 and containing provision with respect to the obtaining (as well as the disclosure) of information.
- (4) In their application by virtue of subsection (3) above those provisions shall have effect as if—
- (a) the reference in section 20(7A) to any provision of the Taxes Acts were a reference to any provision of the law of the territory concerned;
  - (b) the references in subsection (2) of section 20B to an appeal relating to tax were references to an appeal, review or similar proceedings under the law of that territory relating to the tax in question; and
  - (c) the reference in subsection (6) of that section to believing that tax has or may have been lost to the Crown were a reference to believing that the tax in question has or may have been lost to that territory.

#### Marginal Citations

M3 1970 c. 9.

### 147 International exchange of information: inheritance tax.

- (1) After section 220 of the <sup>M4</sup>Inheritance Tax Act 1984 there shall be inserted—

#### “220A Exchange of information with other countries.

- (1) If Her Majesty by Order in Council declares that arrangements specified in the Order have been made with the government of any territory outside the United Kingdom with a view to the exchange of information necessary for carrying out—
- (a) the domestic laws of the United Kingdom concerning inheritance tax; and

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- (b) the laws of the territory to which the arrangements relate concerning any taxes imposed by the laws of that territory which are of a similar character to that tax or are chargeable on or by reference to death or gifts inter vivos,
- and that it is expedient that those arrangements shall have effect, then those arrangements shall have effect notwithstanding anything in any enactment.
- (2) Any Order in Council made under this section revoking an earlier such Order in Council may contain such transitional provisions as appear to Her Majesty to be necessary or expedient.
- (3) An Order under this section shall not be submitted to Her Majesty in Council unless a draft of the Order has been laid before and approved by a resolution of the House of Commons.
- (4) Where any arrangements have effect by virtue of this section, no obligation of secrecy shall prevent the Board or an authorised officer of the Board from disclosing to any authorised officer of the government with which the arrangements are made such information as is required to be disclosed in accordance with the arrangements.
- (5) Neither the Board nor an authorised officer of the Board shall disclose any information in pursuance of any arrangements having effect by virtue of this section unless satisfied that the government with which the arrangements are made is bound by, or has undertaken to observe, rules of confidentiality with respect to the information which are not less strict than those applying to it in the United Kingdom.”.
- (2) Section 219 of the <sup>M5</sup>Inheritance Tax Act 1984 (power to obtain information for purposes of the Act) shall have effect as if the reference to that Act in subsection (1) of that section included a reference to any provision of the law of a territory outside the United Kingdom in accordance with which there is charged any tax which—
- (a) is of a character similar to that of inheritance tax or is chargeable on or by reference to death or gifts inter vivos; and
- (b) is covered by arrangements having effect under section 158 or 220A of the Inheritance Tax Act 1984 and containing provision with respect to the obtaining (as well as the disclosure) of information.

#### Marginal Citations

M4 1984 c. 51.

M5 1984 c. 51.

#### 148 Use of minimum wage information.

- (1) Information obtained by an officer acting for the purposes of the <sup>M6</sup>National Minimum Wage Act 1998 (“the 1998 Act”) by virtue of section 13(1)(a) or (b) of that Act (officers) may be supplied by or with the authority of the Secretary of State to the Board for the purpose of any of its functions.
- (2) Information obtained by an officer of the Board acting in accordance with section 13(1)(b) of the 1998 Act may be used for the purpose of any functions of the Board.

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- (3) Information supplied to the Secretary of State under section 16(2) of the 1998 Act (information obtained by agricultural wages officers) may be supplied by the Secretary of State to the Board for the purpose of any of its functions.
- (4) For section 15(6) of the 1998 Act (restrictions on use of information) there shall be substituted—
- “(6) This section—
- (a) does not limit the circumstances in which information may be supplied or used apart from this section; and
  - (b) is subject to section 148 of the Finance Act 2000 (use of minimum wage information).”.

#### Marginal Citations

M6 1998 c. 39.

### 149 Orders for the delivery of documents.

- (1) After section 20B of the <sup>M7</sup>Taxes Management Act 1970 insert—

#### “20BA Orders for the delivery of documents.

- (1) The appropriate judicial authority may make an order under this section if satisfied on information on oath given by an authorised officer of the Board—
  - (a) that there is reasonable ground for suspecting that an offence involving serious fraud in connection with, or in relation to, tax is being, has been or is about to be committed, and
  - (b) that documents which may be required as evidence for the purposes of any proceedings in respect of such an offence are or may be in the power or possession of any person.
- (2) An order under this section is an order requiring the person who appears to the authority to have in his possession or power the documents specified or described in the order to deliver them to an officer of the Board within—
  - (a) ten working days after the day on which notice of the order is served on him, or
  - (b) such shorter or longer period as may be specified in the order.

For this purpose a “working day” means any day other than a Saturday, Sunday or public holiday.
- (3) Where in Scotland the information mentioned in subsection (1) above relates to persons residing or having places of business at addresses situated in different sheriffdoms—
  - (a) an application for an order may be made to the sheriff for the sheriffdom in which any of the addresses is situated, and
  - (b) where the sheriff makes an order in respect of a person residing or having a place of business in his own sheriffdom, he may also make orders in respect of all or any of the other persons to whom the

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information relates (whether or not they have an address within the sheriffdom).

- (4) Schedule 1AA to this Act contains provisions supplementing this section.”.
- (2) After Schedule 1 to the <sup>M8</sup>Taxes Management Act 1970, insert the Schedule 1AA set out in Schedule 39 to this Act.
- (3) In section 20BB of that Act (falsification etc. of documents)—
- (a) in subsection (1)(a), after “above” insert “ or an order under section 20BA above ”;
  - (b) in subsection (3), after “notice is given” insert “ or the order is made ”; and
  - (c) after “notice”, in the second place where it occurs in that subsection, insert “ or order ”.
- (4) In section 20D(1) of that Act (meaning of “appropriate judicial authority”), after “20A” insert “ , 20BA ”.

#### Marginal Citations

**M7** 1970 c. 9.

**M8** 1970 c. 9.

### 150 Search warrants: miscellaneous amendments.

- (1) Section 20C of the <sup>M9</sup>Taxes Management Act 1970 (search warrants) is amended as follows.
- (2) After subsection (1) insert—
- “(1AA) The Board shall not approve an application for a warrant under this section unless they have reasonable grounds for believing that use of the procedure under section 20BA above and Schedule 1AA to this Act (order for production of documents) might seriously prejudice the investigation.”.
- (3) After subsection (3) insert—
- “(3A) In the case of any information contained in a computer which is information that—
- (a) an officer who enters the premises as mentioned in subsection (3) above has reasonable cause to believe may be required as evidence for the purposes mentioned in paragraph (b) of that subsection, and
  - (b) is accessible from the premises,
- the power of seizure under that subsection includes a power to require the information to be produced in a form in which it can be taken away and in which it is visible and legible.”.
- (4) For subsection (4) substitute—
- “(4) Nothing in subsection (3) above authorises the seizure and removal of items subject to legal privilege.
- (4A) In subsection (4) “items subject to legal privilege” means—

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- (a) communications between a professional legal adviser and his client or any person representing his client made in connection with the giving of legal advice to the client;
- (b) communications between a professional legal adviser and his client or any person representing his client or between such an adviser or his client or any such representative and any other person made in connection with or in contemplation of legal proceedings and for the purposes of such proceedings; and
- (c) items enclosed with or referred to in such communications and made—
  - (i) in connection with the giving of legal advice; or
  - (ii) in connection with or in contemplation of legal proceedings and for the purposes of such proceedings,
 when they are in the possession of a person who is entitled to possession of them.

(4B) Items held with the intention of furthering a criminal purpose are not subject to legal privilege.”.

(5) After subsection (8) insert—

- “(9) Where in Scotland the information mentioned in subsection (1) above relates to premises situated in different sheriffdoms—
- (a) petitions for the issue of warrants in respect of all the premises to which the information relates may be made to the sheriff for a sheriffdom in which any of the premises is situated, and
  - (b) where the sheriff issues a warrant in respect of premises situated in his own sheriffdom, he shall also have jurisdiction to issue warrants in respect of all or any of the other premises to which the information relates.

This does not affect any power or jurisdiction of a sheriff to issue a warrant in respect of an offence committed within his own sheriffdom.”.

**Marginal Citations**

**M9** 1970 c. 9.



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