

# TAX CREDITS ACT 2002

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### Part 1: Tax Credits

##### *Section 36: Powers in relation to documents*

147. *Section 36* gives the Board powers to obtain evidence in cases of suspected tax credit fraud and serious fraud. It does this by making available powers already conferred on the Board in relation to suspected serious tax fraud by sections 20BA, 20BB, 20C and 20CC of and Schedule 1AA to the Taxes Management Act 1970.
148. Section 20BA of the Taxes Management Act 1970 allows the Board to apply to a circuit judge (in Scotland, a sheriff, and in Northern Ireland, a county court judge) for an order requiring the production of documents if there are reasonable grounds for suspecting that:
- an offence involving serious fraud in connection with, or in relation to, tax has been, or is about to be, committed; and
  - documents which may be required as evidence for the purposes of any proceedings in respect of that offence are, or may be, in the power or possession of any person.
149. *Subsection (1)* makes this power available in cases of suspected tax credit fraud. Section 20BB of the Taxes Management Act 1970, which makes it an offence to falsify documents required by order under section 20BA, and Schedule 1AA, which makes supplemental provision, are also applied.
150. Section 20C of the Taxes Management Act 1970 gives the Board a power to apply to a circuit judge (or a sheriff or a county court judge) for a warrant authorising an officer of the Board to enter, search and remove information from premises if there are reasonable grounds 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 that evidence is to be found on those premises. *Subsection (2)* makes this power available in cases where serious fraud in connection with tax credits is suspected. Section 20CC of the Taxes Management Act 1970 makes provision about procedural issues.