

FINANCE ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Section 95 and Schedule 47: Amendment of Information and Inspection Powers

Background Note

37. [Schedule 36](#) to FA 2008 contains a new set of information and inspection powers to replace the separate main powers that existed for checking a person's position for income tax, capital gains tax and corporation tax on the one hand and VAT on the other. Those new powers also apply to PAYE, the construction industry scheme, student loan repayments and national insurance contributions. They came into force on 1 April 2009.
38. This Schedule makes amendments to clarify points that have been raised and ensure that the powers work as intended.
39. It also introduces a penalty into Schedule 36 to apply where any person deliberately or carelessly provides any incorrect documents or information in response to an information notice issued under Part 1 of Schedule 36. Such a penalty existed in section 98(2) of TMA for fraudulently or negligently providing information etc under information powers that have been replaced by Schedule 36.
40. [Section 95](#) also provides a power to make statutory instruments containing provisions or savings in consequence of or in connection with Schedule 36 to FA 2008. This will allow the repeal of a significant number of information and inspection powers that are no longer required together with related provisions. These powers presently apply to particular types of tax check. The aim is that HMRC will use Schedule 36 instead. This represents alignment, helping both taxpayers and HMRC by putting all the powers in one place. The new powers allow HMRC to ask for a wider range of information in some circumstances, but provide more explicit safeguards for the way in which HMRC asks for information.