

SCHEDULES

SCHEDULE 8

ENFORCEMENT BY DEDUCTION FROM ACCOUNTS

PART 1

SCHEME FOR ENFORCEMENT BY DEDUCTION FROM ACCOUNTS

Hold notice

- 4 (1) If it appears to HMRC that—
- (a) a person (“P”) has failed to pay a relevant sum, and
 - (b) P holds one or more accounts with a deposit-taker,
- HMRC may give the deposit-taker a notice under this paragraph (a “hold notice”).
- (2) The hold notice must—
- (a) specify P’s name and last known address,
 - (b) specify as the “specified amount” an amount that meets the conditions in sub-paragraph (4),
 - (c) specify as the “safeguarded amount” an amount that meets the requirements set out in sub-paragraphs (6) to (8),
 - (d) set out any rules which are to apply for the purposes of paragraph 7(5)(b) (priority of accounts subject to a hold notice),
 - (e) explain the effect of—
 - (i) paragraphs 6 to 13 (effect of hold notice, duty to notify account holders etc),
 - (ii) paragraph 14 (penalties), and
 - (iii) any regulations under paragraph 20(2)(c) or (d) (powers to restrict the accounts or amounts in relation to which a hold notice may have effect, in addition to the powers to make provision in the hold notice under sub-paragraph (3)(b) and (c)), and
 - (f) contain a statement about HMRC’s compliance with paragraph 5 in relation to the notice.

For provision about the particular relevant sums to which a hold notice relates see paragraph 8(6)(a)(ii) and (7) (notice to be given by HMRC to P).

- (3) The hold notice may—
- (a) specify any other information which HMRC considers might assist the deposit-taker in identifying accounts which P holds with it;
 - (b) specify an account, or description of account, which is to be treated for the purposes of the hold notice and this Part of this Schedule as not being an account held by P with the deposit-taker;

Status: This is the original version (as it was originally enacted).

- (c) require that an amount specified in the notice is to be treated for the purposes of the hold notice and this Part of this Schedule as if it were not an amount standing to the credit of a specified account held by P.
- (4) The amount specified as the specified amount in the hold notice (“the current hold notice”) must not exceed so much of the notified sum (see paragraph 8(6) to (8)) as remains after deducting—
 - (a) the amount specified as the “specified amount” in any hold notice which relates to the same debts as the current hold notice (see sub-paragraph (5)) and is given to another deposit-taker on the same day as that notice, and
 - (b) the amount specified as the “specified amount” in any hold notice which relates to the same debts as the current hold notice and is given to a deposit-taker on an earlier day, (unless HMRC has received a notification under paragraph 8(4) in relation to that earlier hold notice).
- (5) For the purposes of this paragraph, any two hold notices given in respect of the same person “relate to the same debts” if at least one relevant sum specified in relation to one of those notices by virtue of paragraph 8(7)(a) is the same debt as a relevant sum so specified in relation to the other notice.
- (6) The amount specified in the hold notice as the safeguarded amount must be at least £5,000; but this is qualified by sub-paragraphs (7) and (8).
- (7) The safeguarded amount must be nil if—
 - (a) HMRC has previously given a deposit-taker a hold notice (“the earlier hold notice”) relating to the same debts as the hold notice mentioned in sub-paragraph (2) (“the new hold notice”), and
 - (b) within the period of 30 days ending with the day on which the new hold notice is given to the deposit-taker, HMRC has received a notice under paragraph 8 which states that there is a held amount as a result of the earlier hold notice.
- (8) HMRC may (in a case not falling within sub-paragraph (7)) determine that an amount less than £5,000 (which may be nil) is to be the safeguarded amount if HMRC considers it appropriate to do so having regard to the value (or aggregate value) in sterling at the relevant time of any amounts which at that time stand to the credit of a qualifying non-sterling account or accounts.
- (9) In sub-paragraph (8) “qualifying non-sterling account” means an account which, but for paragraph 6(6)(b) (account not denominated in sterling), would be a relevant account in relation to the hold notice.
- (10) For the purposes of sub-paragraph (8), the value in sterling of any amount is to be determined in the prescribed manner; and regulations for the purposes of this sub-paragraph may specify circumstances in which the exchange rate is to be determined in accordance with a notice published by the Commissioners.
- (11) In sub-paragraph (8) “the relevant time” means the time when the Commissioners determine the amount to be specified as the “safeguarded amount” under sub-paragraph (2)(c).
- (12) HMRC must not on any one day give to a single deposit-taker more than one hold notice relating to the same debts.