
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision as to conditions that must be complied with in connection with the use of software to deliver information to the Commissioners for Her Majesty's Revenue and Customs ("the Commissioners").

The Regulations apply to deliveries to the Commissioners of "tax information" through "relevant software" (both terms defined in regulation 1). They impose conditions on suppliers of relevant software. Their effect is that relevant software will have to operate so that such deliveries are accompanied by the delivery of metadata specified by the Commissioners.

Regulation 2 allows the Commissioners to define the set of metadata ("relevant ancillary metadata") which they consider necessary to receive in order to ensure the authenticity and security of deliveries of tax information through software. The Commissioners may provide the definition by specific or general direction. When a direction is made, it will be available on the gov.uk website with a hard copy available on request from Her Majesty's Revenue and Customs, 100 Parliament Street, London SW1A 2BQ.

Regulation 3 requires suppliers of relevant software to ensure that, when their programs are used to deliver tax information to the Commissioners, the programs will collect the relevant ancillary metadata and deliver it to the Commissioners. The obligation applies each time the program is used by a person to deliver tax information to the Commissioners.

Regulation 4 makes provision for the imposition of a penalty on suppliers who do not comply with regulation 3. There is a fixed penalty of £3,000, with a maximum of one penalty in relation to any program in any 12-month period. The procedural provisions of Schedule 36 to the Finance Act 2008 (c. 9), concerning penalties for failure to comply with an information notice, will apply with necessary modifications to this penalty.

A Tax Information and Impact Note has not been produced for this instrument as it contains no substantive changes to tax policy.