
EXPLANATORY NOTE

(This note is not part of the Order)

Article 2 of this Order appoints 1st June 2019 as the day on which the provisions about late payment and repayment interest set out in sections 101 and 102 (and Schedules 53 and 54) of the Finance Act 2009 (c. 10) come into force in relation to penalties under

- section 98C of the Taxes Management Act 1970 (c. 9) in connection with the disclosure of tax avoidance schemes regime in Part 7 of the Finance Act 2004 (c. 12);
- regulation 22 of the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012 (S.I. 2012/1836) in connection with the disclosure of tax avoidance schemes regime in relation to national insurance contributions contained in the same Regulations.

Section 101 applies late payment interest to any sum due by virtue of an enactment to HM Revenue and Customs (HMRC) but paid late. Section 102 applies repayment interest to any amount payable by HMRC to any person by virtue of an enactment.

The current applicable rates in respect of late payment interest and repayment interest are set out in the Taxes and Duties, etc (Interest Rate) Regulations 2011 (S.I. 2011/2446).

Article 3 of this Order makes a consequential amendment to ensure that from 1st June 2019 the interest provisions in section 103A of the Taxes Management Act 1970 will not apply to penalties under section 98C of the Taxes Management Act 1970. By virtue of regulation 24 of the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, this amendment will also have effect in relation to penalties under regulation 22 of those Regulations.

A Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and it is an appointed day order.