

# FINANCE ACT 2014

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## EXPLANATORY NOTES

### INTRODUCTION

#### *Section 17: Recovery under PAYE Regulations from Certain Company Officers*

#### Summary

1. This section amends the [Income Tax \(Pay As You Earn\) Regulations 2003 \(SI 2003/2682\)](#) to transfer PAYE debts from a company where new section 44 (4) to (6) ITEPA apply: persons providing fraudulent documents and persons seeking to avoid the charge.

#### Details of the Section

##### Regulation 97ZA

2. Provides the interpretation. In particular it defines:  

a relevant debt as one arising where a company has failed to account for PAYE as a result of a person providing fraudulent documents as described in section 44 (4) to (6) ITEPA 2003 and where the anti-avoidance provisions in section 46A ITEPA apply.

##### Regulation 97ZB

3. Paragraph 1 applies where a company fails to deduct or account for PAYE when required to do so.
4. Paragraph 2 provides that HMRC may serve a notice on a person who was at the relevant time a director of the company which will specify the extent of the unpaid PAYE and requiring the director to pay that amount and specified interest.
5. Paragraph 3 provides for the rate of interest.
6. Paragraph 4 provides that an amount due should be paid within 30 days.
7. Paragraph 5 provides that a notice may be served on more than one director in respect of the same amount of unpaid PAYE.

##### Regulation 97ZC

8. This provides for a right of appeal against a personal liability notice issued under regulation 97ZB.
9. Paragraph 1 provides the right of appeal.
10. Paragraph 2 provides that it must be made within 30 days of the service of the notice and must detail the grounds of the appeal.
11. Paragraph 3 provides that permitted grounds of appeal which are that the amount on the notice does not represent a PAYE debt to which regulation 97ZB applies or that the person who was served the notice was not a director of the company at the relevant time.

*These notes refer to the Finance Act 2014 (c.26)  
which received Royal Assent on 17 July 2014*

12. Paragraph 4 provides that no appeal may be made if another appeal on the same question has already been determined.

13. Paragraphs 5 and 6 provide that a tribunal may uphold or quash an appeal or reduce or increase the amount on the notice.

**Regulation 97ZD**

14. This provides for the withdrawal of a notice if quashed by a tribunal or HMRC considers it appropriate to do so.

**Regulation 97ZE**

15. This extends the recovery provisions in Taxes Management Act to liabilities under a notice.

**Regulation 97ZF**

16. This provides for the repayment of surplus amounts where more than one notice has been issued in respect of the same liability. Any amount paid above that due on the notice may be repaid in a just and equitable basis.

**Background Note**

17. This section has been introduced to assist in the prevention of avoidance of employment taxes by UK agencies engaging UK workers via non-UK agencies and intermediaries facilitating false self-employment. It supports the Government's anti-avoidance policy.