

# CHILDCARE PAYMENTS ACT 2014

---

## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### *Childcare Accounts*

#### *Section 24: Imposing restrictions on childcare accounts*

118. [Section 24](#) provides rules which permit HMRC to restrict the use of childcare accounts in certain circumstances.
119. Subsection (1) enables HMRC to make an order imposing restrictions on a childcare account where conditions set out in regulations are met. It is intended that regulations will set out these conditions which will include cases where an account-holder has an outstanding debt relating to their childcare account or where HMRC believes that the childcare account will be used for fraudulent purposes.
120. Subsection (2) provides that such an order made by HMRC will require the account provider to impose restrictions on a childcare account which can:
  - prevent qualifying payments being paid into the account (which will mean that the account-holder will not receive further top-up payments); and/or
  - prevent payments being made from the account for qualifying childcare (with the effect that the account-holder will be unable to spend top-up payments on childcare).
121. Subsection (3) allows regulations to be made to permit HMRC to make an account restriction order where a person wants to open a childcare account or make a declaration of eligibility but is prevented from doing so because someone else already holds a childcare account in respect of the same child. This addresses the situations dealt with in section 18 and permits HMRC to determine which person will be allowed to have the active childcare account.