



Childcare Payments Act 2014

2014 CHAPTER 28

Penalties

45 Penalties for making prohibited payments

- (1) A person is liable to a penalty under this section if—
 - (a) HMRC has given the person a warning notice under this section,
 - (b) at any time when the warning notice has effect, the person causes or permits a prohibited payment to be made from a childcare account held by the person, and
 - (c) the person is notified of an assessment under section 41 in respect of the prohibited payment.
- (2) HMRC may give a person a warning notice under this section if—
 - (a) the person causes or permits a prohibited payment to be made from a childcare account held by the person,
 - (b) the person is notified of an assessment under section 41 in respect of the prohibited payment, and
 - (c) the assessment has become final (see subsection (7)).
- (3) A warning notice is a notice which—
 - (a) subject to subsection (4), has effect for a period of 4 years beginning with the day on which the notice is given (“the relevant 4-year period”), and
 - (b) states that the person will be liable to a penalty under this section if at any time during the relevant 4-year period the person causes or permits a prohibited payment to be made from a childcare account held by the person.
- (4) If a person is notified of a penalty under this section, the warning notice given to the person under this section ceases to have effect.
- (5) But subsection (4) does not prevent HMRC from giving the person a fresh warning notice as a result of the prohibited payment in respect of which the person was notified of the penalty.

Changes to legislation: There are currently no known outstanding effects for the Childcare Payments Act 2014, Section 45. (See end of Document for details)

- (6) Where a person is liable to a penalty under this section for causing or permitting a prohibited payment to be made, the amount of the penalty is 25% of the amount assessed under section 41 in respect of the prohibited payment.
- (7) For the purposes of this section an assessment under section 41 becomes final—
- (a) in a case where the person does not apply for a review of the assessment within the period specified in section 57(2)(a), at the end of that period,
 - (b) in a case where—
 - (i) the person applies for a review of the assessment but does not give notice of an appeal against the assessment, and
 - (ii) the assessment has not been cancelled,at the end of the period in which notice of an appeal against the assessment could have been given, or
 - (c) in a case where—
 - (i) notice of such an appeal has been given, and
 - (ii) the assessment has not been quashed on appeal,on the day on which the appeal is determined or withdrawn.
- (8) Accordingly—
- (a) if a person is granted an extension of the period for making an application for a review of an assessment, any warning notice given to the person in respect of the assessment before the application for the review is made is of no effect, and
 - (b) if a person is permitted to give notice of an appeal against an assessment after the end of the period mentioned in subsection (7)(b), any warning notice given to the person in respect of the assessment before the notice of appeal is given is of no effect.

Commencement Information

- I1** S. 45 in force at 14.11.2016 for the purposes of the trial by [S.I. 2016/1083, reg. 2\(g\)](#)
I2 S. 45 in force at 21.4.2017 in so far as not already in force by [S.I. 2017/578, reg. 3\(e\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Childcare Payments Act 2014, Section 45.