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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2015, Cross Heading: Penalties. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 8

#### ENFORCEMENT BY DEDUCTION FROM ACCOUNTS

#### PART 1

#### SCHEME FOR ENFORCEMENT BY DEDUCTION FROM ACCOUNTS

##### *Penalties*

- 14 (1) This paragraph applies to a deposit-taker who—
- (a) fails to comply with an information notice,
  - (b) fails to comply with a hold notice or a deduction notice,
  - (c) fails to comply with an obligation under paragraph 8(2) in accordance with paragraph 8(3) (obligation to notify HMRC of effects of hold notice),
  - (d) fails to comply with an obligation under paragraph 8(4) in accordance with paragraph 8(5) (obligation to notify HMRC if no affected accounts),
  - (e) fails to comply with an obligation under paragraph 9(3) (obligation to cancel or modify effects of hold notice),
  - (f) fails to comply with an obligation under paragraph 11(6) (obligation to cancel or adjust arrangements to give effect to HMRC's decision of objection), or
  - (g) following receipt of an information notice or hold notice in relation to an account or accounts held with the deposit-taker by a person (“the affected person”), makes a disclosure of information to the affected person or any other person in circumstances where that disclosure is likely to prejudice HMRC's ability to use the provisions of this Part of this Schedule to recover a relevant sum owed by the affected person.
- (2) In sub-paragraph (1)(g), the reference to a disclosure of information does not include the giving of a notice in accordance with paragraph 8(10) to the affected person in respect of a hold notice.
- (3) The deposit-taker is liable to a penalty of £300.
- (4) If a failure within sub-paragraph (1)(a) to (f) continues after the day on which notice is given under paragraph 15(1) of a penalty in respect of the failure, the deposit-taker is liable to a further penalty or penalties not exceeding £60 for each subsequent day on which the failure continues.
- (5) A failure by a deposit-taker to do anything required to be done within a limited period of time does not give rise to liability to a penalty under this paragraph if the deposit-taker did it within such further time, if any, as HMRC may have allowed.

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- (6) Liability to a penalty under this paragraph does not arise if the person satisfies HMRC or (on an appeal notified to the tribunal) the tribunal that there is a reasonable excuse for the failure or (as the case may be) disclosure.
- (7) For the purposes of this paragraph—
- (a) where the deposit-taker relies on any other person to do anything, that is not a reasonable excuse unless the deposit-taker took reasonable care to avoid the failure or disclosure, and
  - (b) where the deposit-taker had a reasonable excuse for the failure but the excuse has ceased, the deposit-taker is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

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