## NATIONAL INSURANCE CONTRIBUTIONS ACT 2015

### **EXPLANATORY NOTES**

#### **COMMENTARY ON SECTIONS**

Section 4: Application of Parts 4 and 5 of FA 2014 to national insurance contributions

#### Promoters of Avoidance Schemes: Class 1, 1A, 1B and certain Class 2

- 127. Subsection (2) of section 4 provides that Part 2 of Schedule 2 applies Part 5 of FA 2014 (promoters of tax avoidance schemes) to Classes 1, 1A, 1B and certain Class 2 contributions.
- 128. Paragraph 23 of Part 2 provides that Part 5 of FA 2014 (promoters of avoidance schemes) is to have effect with the modifications made by the rest of that Part of the Schedule.
- 129. Paragraph 24 provides that where the promoters of tax avoidance schemes provisions refer to tax, such references include relevant contributions except where reference is made to a particular tax.
- 130. Paragraph 25 provides that references to a tax advantage include the avoidance or reduction of a liability to pay relevant contributions.
- 131. Paragraph 26(1) provides that where a reference is made to Part 7 of the Finance Act 2004 (disclosure of tax avoidance schemes) that reference includes regulations made under section 132A of SSAA 1992 (disclosure of contributions avoidance arrangements) which either apply the DOTAS provision to, or make corresponding provision for the purposes of, NICs.
- 132. Sub-paragraph 26(2) provides for exceptions to the contrary to be made by regulations.
- 133. Paragraph 27 extends the reference to a tax return in section 253 of FA 2014 (duty of a person to notify the Commissioners) to include a return relating to NICs that is required to be made by or under legislation.
- 134. Paragraph 28 extends section 255 of FA 2014 (power to obtain information and documents) so that references to a person's tax position includes the person's position as regards the deduction or repayments of relevant contributions or sums representing relevant contributions, that a person is required to make.
- 135. Paragraph 29 provides that section 276 of FA 2014 which requires a higher standard of reasonable care applies to clients of monitored promoters of NICs avoidance schemes when submitting returns to HMRC.
- 136. Paragraph 30 includes relevant contributions within the definition of tax in section 283(1) of FA 2014 (interpretation).

# These notes refer to the National Insurance Contributions Act 2015 (c.5) which received Royal Assent on 12 February 2015

137. Paragraph 31 defines for the purpose of this Part of Schedule 2 "relevant contributions" as Class 1, 1A, 1B and certain Class 2 contributions to which section 11A of SSCBA 1992 or section 11A of SSCB(NI)A 1992 does not apply.