



Finance Act 2024

2024 CHAPTER 3

PART 3

MISCELLANEOUS AND FINAL

Evasion, avoidance etc

32 Increase in maximum terms of imprisonment for tax offences

- (1) In the specified provisions of the following enactments, for “seven” (or “7”) substitute “14”—

TMA 1970	Section 106A(2)(b) (fraudulent evasion of income tax)
Customs and Excise Duties (General Reliefs) Act 1979	Section 13C(4)(b) (relieved goods used, etc, in breach of condition)
CEMA 1979	Section 50(4)(b) (improper importation of goods)
	Section 53(9)(b) (shipping etc dutiable or restricted goods with fraudulent intent)
	Section 63(6)(b) (goods taken on board a ship etc with fraudulent intent)
	Section 68(3)(b) (exportation of prohibited or restricted goods with intent to evade prohibition or restriction)
	Section 68A(2)(b) (fraudulent evasion of agricultural levy)

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	Section 100(4)(b) (taking etc of warehoused goods with intent to defraud)
	Section 136(2)(b) (claims for drawback etc with intent to defraud)
	Section 159(7)(b) (removing examinable goods with intent to defraud)
	Section 170(3)(b) (fraudulent evasion of duty, etc)
	Section 170B(1)(b) (taking preparatory steps for evasion of excise duty)
HODA 1979	Section 10(7)(b) (contravening restrictions on use of duty-free oil)
	Section 13(5)(b) (contravening restrictions on use of heavy oil)
	Section 13AB(7)(b) (contravening restrictions on use of rebated kerosene)
	Section 14(8)(b) (contravening restrictions on use of light oil)
	Section 14D(5)(b) (contravening restrictions on use of rebated biodiesel or bioblend)
	Section 14F(3)(b) (contravening restrictions on use of restricted fuel) (as substituted by paragraph 9 of Schedule 11 to FA 2020)
	Section 20AAC(4)(d) (contravening restrictions on use of aqua methanol)
	Section 24A(6)(b) (contravening restrictions on use of marked oil)
BGDA 1981	Paragraph 16(1)(b) of Schedule 3 (fraudulent evasion of bingo duty)
FA 1993	Section 31(2)(b) (fraudulent evasion etc of lottery duty)
VATA 1994	Section 72(1)(b), (3)(ii) and (8)(b) (fraudulent evasion etc of VAT)
FA 1994	Section 41(2)(b) (fraudulent evasion etc of duty)
	Paragraph 10(1)(b), (3)(b) and (5)(b) of Schedule 7 (fraudulent evasion etc of insurance premium tax)

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FA 1996	Paragraph 16(1)(b), (3)(b) and (5)(b) of Schedule 5 (fraudulent evasion etc of landfill tax)
FA 1997	Paragraph 12(3)(b)(ii) of Schedule 1 (fraudulent evasion etc of gaming duty)
FA 2000	Paragraphs 92(3)(b), 93(3)(b) and 94(3)(b) of Schedule 6 (fraudulent evasion etc of climate change levy)
FA 2001	Paragraphs 1(3)(b), 2(3)(b) and 3(3)(b) of Schedule 6 (fraudulent evasion etc of aggregates levy)
FA 2003	Section 95(2)(b) (fraudulent evasion of stamp duty land tax)
FA 2012	Paragraph 37(2)(a) of Schedule 24 (fraudulent evasion of machine games duty)
FA 2014	Section 174(3)(a) (fraudulent evasion of general betting duty, pool betting duty and remote gaming duty)
FA 2017	Section 50(3)(d)(i) (fraudulent evasion of soft drinks levy)
FA 2021	Section 77(3)(d)(i) (fraudulent evasion of plastic packaging tax) Section 78(3)(d)(i) (false statements in connection with plastic packaging tax) Section 79(3)(d)(i) (plastic packaging tax: conduct involving evasions or false statements)

(2) Subsections (3) to (5) make amendments to CEMA 1979 which are consequential on amendments to that Act made by subsection (1).

(3) In section 50—

- (a) in subsection (4) for “, (5AA), (5B) or (5C)” substitute “or (5B)”,
- (b) in subsection (5A) for “7” (in the closing words) substitute “14”,
- (c) omit subsection (5AA),
- (d) in subsection (5B)(b) for “7” substitute “14”, and
- (e) omit subsection (5C).

(4) In section 68—

- (a) in subsection (3) for “, (4A), (4AA) or (4B)” substitute “or (4A)”,
- (b) in subsection (4A) for “7” (in the closing words) substitute “14”,
- (c) omit subsection (4AA), and
- (d) omit subsection (4B).

(5) In section 170—

- (a) in subsection (3) for “, (4AA), (4B) or (4C)” substitute “or (4B)”,

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- (b) in subsection (4A) for “7” (in the closing words) substitute “14”,
 - (c) omit subsection (4AA),
 - (d) in subsection (4B)(b) for “7” substitute “14”, and
 - (e) omit subsection (4C).
- (6) Subject to subsection (7), the amendments made by this section have effect in relation to offences committed on or after the day on which this Act is passed.
- (7) The amendment made to section 14F of HODA 1979 so far as applying to a part of the United Kingdom other than Northern Ireland—
- (a) comes into force at the same time as paragraph 9 of Schedule 11 to FA 2020 (which inserts a new section 14F into HODA 1979) comes into force in its application to that part of the United Kingdom, and
 - (b) has effect in relation to offences committed on or after the day on which it comes into force.

33 Disqualification of directors etc promoting tax avoidance schemes

[Schedule 13](#) makes provision for HMRC to apply for disqualification orders under the Company Directors Disqualification Act 1986 in connection with the promotion of tax avoidance schemes.

34 Promoters of tax avoidance: failure to comply with stop notice etc

- (1) In FA 2014, before section 278 (but after the italic heading) insert—

“277A Offences relating to stop notices

- (1) A person who, without reasonable excuse, fails to comply with a duty imposed under section 236B(1) is guilty of an offence.
- (2) The recipient of a stop notice (“R”) is guilty of an offence if—
- (a) R fails, without reasonable excuse, to comply with a duty imposed under section 236B(3)(a), (4)(a) or (5)(a) to give a copy of the notice to another person (“P”),
 - (b) P subsequently fails to comply with a duty imposed under section 236B(1) in relation to the notice, and
 - (c) at the time of P’s failure the stop notice continues to have effect in relation to R.
- (3) For the purposes of this section—
- (a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person’s control,
 - (b) if the person relies on any other person to do anything, that is not a reasonable excuse unless the first person took reasonable care to avoid the failure,
 - (c) if the person had a reasonable excuse for the failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased, and

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- (d) reliance on legal advice is to be taken automatically not to constitute a reasonable excuse where the person is a monitored promoter if either—
 - (i) the advice was not based on a full and accurate description of the facts, or
 - (ii) the conclusions in the advice that the person relied on were unreasonable.

277B Liability for offences under [section 277A](#) committed by a body

- (1) If an offence under [section 277A](#) is committed by a body corporate or a partnership and—
 - (a) is committed with the consent or connivance of a relevant person in relation to the body or partnership, or
 - (b) is attributable to neglect on the part of such a person,the person (as well as the body or partnership) commits the offence and is liable to be proceeded against and punished accordingly.
- (2) A “relevant person” is—
 - (a) in relation to a body corporate other than one whose affairs are managed by its members—
 - (i) a director, manager, secretary or other similar officer of the body, or a person purporting to act in such a capacity, or
 - (ii) a shadow director within the meaning of section 251 of the Companies Act 2006;
 - (b) in relation to a limited liability partnership or other body corporate whose affairs are managed by its members—
 - (i) a member who exercises functions of management with respect to it, or a person purporting to act in such a capacity, or
 - (ii) in the case of a limited liability partnership, a shadow member within the meaning of regulation 2 of the Limited Liability Partnerships Regulations 2001 ([S.I. 2001/1090](#));
 - (c) in relation to a partnership, a partner or a person purporting to act in such a capacity.”
- (2) In section 280(1) of FA 2014 (penalties for offences), after “section” insert “[277A](#),”.
- (3) The offence under [section 277A\(1\)](#) of FA 2014 (as inserted by subsection (1)) applies in relation to a failure to comply that occurs on or after the date on which this Act is passed.
- (4) The offence under [section 277A\(2\)](#) of FA 2014 (as inserted by subsection (1)) applies in relation to duties under [section 236B\(3\)\(a\)](#), [\(4\)\(a\)](#) or [\(5\)\(a\)](#) arising on or after the date on which this Act is passed.
- (5) In [section 236B\(7\)](#) of FA 2014 (effect of stop notices), for “(5)(b)” substitute “(5)(a)”.

35 Construction industry scheme: gross payment status

- (1) FA 2004 is amended as follows.
- (2) In [section 66](#) (cancellation of registration for gross payment)—

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- (a) in subsection (1)—
 - (i) in paragraph (b), after “sub-contractor)” insert “in connection with an obligation arising”;
 - (ii) in paragraph (c), for “any such provision” substitute “an obligation arising under or in connection with any provision of this Chapter or of regulations made under it”.
- (b) in subsection (3)—
 - (i) for paragraph (b) substitute—
 - “(b) has fraudulently made an incorrect return or has fraudulently provided incorrect information (whether as a contractor or a sub-contractor) in connection with an obligation—
 - (i) arising under any provision of this Chapter or of regulations made under it;
 - (ii) arising under any provision of PAYE regulations;
 - (iii) to submit a self-assessment return;
 - (iv) arising under any provision of the Value Added Tax Act 1994 or of regulations made under it, or”;
 - (ii) in paragraph (c), for “any such provision” substitute “an obligation arising under or in connection with any provision of this Chapter or of regulations made under it”.
- (3) In Schedule 11 (conditions for registration for gross payment)—
 - (a) in paragraph 4, in sub-paragraph (1)(a)—
 - (i) in sub-paragraph (iii), for “the PAYE Regulations (SI 2003/2682)” substitute “PAYE regulations”;
 - (ii) at the end insert—
 - “(v) to account for or pay VAT as required by or under the Value Added Tax Act 1994, and”;
 - (b) in paragraph 8, in sub-paragraph (1)(a)—
 - (i) in sub-paragraph (iii), for “the PAYE Regulations (SI 2003/2682)” substitute “PAYE regulations”;
 - (ii) at the end insert—
 - “(v) to account for or pay VAT as required by or under the Value Added Tax Act 1994, and”;
 - (c) in paragraph 12, in sub-paragraph (1)(a)—
 - (i) in sub-paragraph (iii), for “the PAYE Regulations (SI 2003/2682)” substitute “PAYE regulations”;
 - (ii) at the end insert—
 - “(v) to account for or pay VAT as required by or under the Value Added Tax Act 1994, and”.
- (4) The amendments in this section have effect in relation to—
 - (a) applications for gross payment status made on or after 6 April 2024, and
 - (b) registrations for gross payment status which are in effect on or after 6 April 2024 (but see [subsection \(5\)](#)).

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- (5) When making a determination under section 66(1)(a) of FA 2004 (cancellation of registration for gross payment) in relation to a person registered for gross payment status before 6 April 2024, any failure by that person before 6 April 2024 to comply with an obligation to account for or pay VAT must be disregarded (notwithstanding the amendments made by [subsection \(3\)](#)).

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 9 para. 132(1) Sch. 9 para. 132 renumbered as Sch. 9 para. 132(1) by [S.I. 2024/356 reg. 4\(23\)\(a\)](#)
- Sch. 9 para. 125(1)(c) and word inserted by [S.I. 2024/356 reg. 4\(3\)\(b\)](#)
- Sch. 9 para. 125(3A) inserted by [S.I. 2024/356 reg. 4\(6\)](#)
- Sch. 9 para. 126(1)(c) inserted by [S.I. 2024/356 reg. 4\(9\)\(c\)](#)
- Sch. 9 para. 126(3A) inserted by [S.I. 2024/356 reg. 4\(10\)](#)
- Sch. 9 para. 127A and cross-heading inserted by [S.I. 2024/356 reg. 4\(12\)](#)
- Sch. 9 para. 128(6)(a)(zi) inserted by [S.I. 2024/356 reg. 4\(13\)](#)
- Sch. 9 para. 129(1)(c)(d) inserted by [S.I. 2024/356 reg. 4\(15\)\(b\)](#)
- Sch. 9 para. 129(2)(c) and word inserted by [S.I. 2024/356 reg. 4\(16\)\(b\)](#)
- Sch. 9 para. 130A and cross-heading inserted by [S.I. 2024/356 reg. 4\(21\)](#)
- Sch. 9 para. 132(2)-(5) inserted by [S.I. 2024/356 reg. 4\(23\)\(c\)](#)
- Sch. 9 para. 132A and cross-heading inserted by [S.I. 2024/356 reg. 4\(24\)](#)
- Sch. 9 para. 132(1) words inserted by [S.I. 2024/356 reg. 4\(23\)\(b\)](#)