



# Tax Credits Act 2002

## 2002 CHAPTER 21

### PART 1

#### TAX CREDITS

##### *Payment*

#### **26 Liability of officers for sums paid to employers**

- (1) Regulations may provide that where—
- (a) an employer which is a body corporate has failed to repay any funding to the Board in accordance with regulations made under section 25(2)(g), and
  - (b) the provision of the funding, or the failure by the employer to repay the funding, appears to the Board to be attributable to fraud or neglect on the part of one or more individuals who, at the time of the fraud or neglect, were officers of the body corporate (“culpable officers”),
- the culpable officers are required to pay to the Board the amount of funding recoverable by the Board from the employer.
- (2) Regulations under this section must include provision—
- (a) for any amount paid to the Board by a culpable officer in accordance with the regulations to be deducted from the amount of funding liable to be repaid by the employer,
  - (b) for the amount which a culpable officer is liable to pay under the regulations to be reduced where the amount of funding recoverable from the employer is reduced by payments made to the Board by the employer, and
  - (c) for the Board to repay to a culpable officer the amount (if any) by which the amount that he has paid to the Board pursuant to the regulations exceeds the reduced amount that he is liable to pay by virtue of paragraph (b).
- (3) Regulations under this section may include provision—
- (a) requiring payments by culpable officers to be made in accordance with notices given to them by the Board,

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*Status: This is the original version (as it was originally enacted).*

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- (b) for determining, in cases of an employer in relation to which there is more than one culpable officer, the proportion of the amount of funding recoverable from the employer that is payable by each culpable officer,
  - (c) for the payment of interest at the prescribed rate on sums due to or from the Board, and for determining the date from which interest is to be calculated, and
  - (d) for appeals with respect to matters arising under the regulations.
- (4) “Officer”, in relation to a body corporate, means—
- (a) any director, manager, secretary or other similar officer of the body corporate, or any person purporting to act as such, and
  - (b) in a case where the affairs of the body corporate are managed by its members, any member of the body corporate exercising functions of management with respect to it or purporting to do so.