

FINANCE ACT 2012

EXPLANATORY NOTES

INTRODUCTION

Section 224: Information Powers

Background Note

11. This new power adds to the range of information powers in Schedule 36 FA 2008 which may be used in carrying out a check of a person's tax position. In a case where the full identity of the taxpayer is not known but information is required from a third party, the existing powers can only be used where a serious loss of tax is suspected. The new power allows HMRC to issue an information notice in a case where identifying information is held (for example a bank branch and account number) in order to find out relevant information. A notice may only be issued to third parties that HMRC believes might have obtained such information in the course of business.
12. Relevant information is narrowly defined and only consists of the name, address and date of birth (if known) of the person to whom the identifying information relates. Once the taxpayer is fully identified in this way any further enquiries that are necessary will be made using the existing powers in Schedule 36.
13. This new power is necessary in order to bring the UK's powers into line with latest international standards as determined by the OECD and the Global Forum on Transparency and Exchange of Information for Tax Purposes.
14. Subsections (6) and (8) update a reference in TMA 1970 that was overlooked in Schedule 23 to FA 2011.