



# Finance Act 2014

## 2014 CHAPTER 26

### PART 4

#### FOLLOWER NOTICES AND ACCELERATED PAYMENTS

### CHAPTER 1

#### INTRODUCTION

##### *Overview*

## 199 Overview of Part 4

In this Part—

- (a) sections 200 to 203 set out the main defined terms used in the Part,
- (b) Chapter 2 makes provision for follower notices and for penalties if account is not taken of judicial rulings which lay down principles or give reasoning relevant to tax cases,
- (c) Chapter 3 makes—
  - (i) provision for accelerated payments to be made on account of tax,
  - (ii) provision restricting the circumstances in which payments of tax can be postponed pending an appeal,<sup>F1</sup>...
  - (iii) provision to enable a court to prevent repayment of tax, for the purpose of protecting the public revenue<sup>F2</sup>, and
  - (iv) provision restricting the surrender of losses and other amounts for the purposes of group relief.]
- (d) Chapter 4—
  - (i) makes special provision about the application of this Part in relation to stamp duty land tax and annual tax for enveloped dwellings,
  - (ii) confers a power to extend the provisions of this Part to other taxes, and

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(iii) makes amendments consequential on this Part.

**Textual Amendments**

- F1** Word in s. 199(c)(ii) omitted (26.3.2015) by virtue of [Finance Act 2015 \(c. 11\)](#), [Sch. 18 para. 2](#)  
**F2** S. 199(c)(iv) and preceding word inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), [Sch. 18 para. 2](#)

*Main definitions*

**200 “Relevant tax”**

In this Part, “relevant tax” means—

- (a) income tax,
- (b) capital gains tax,
- (c) corporation tax, including any amount chargeable as if it were corporation tax or treated as if it were corporation tax,
- [<sup>F3</sup>(ca) apprenticeship levy,]
- (d) inheritance tax,
- (e) stamp duty land tax, and
- (f) annual tax on enveloped dwellings.

**Textual Amendments**

- F3** S. 200(ca) inserted (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), [s. 104\(4\)](#) (with s. 117)

**201 “Tax advantage” and “tax arrangements”**

- (1) This section applies for the purposes of this Part.
- (2) “Tax advantage” includes—
  - (a) relief or increased relief from tax,
  - (b) repayment or increased repayment of tax,
  - (c) avoidance or reduction of a charge to tax or an assessment to tax,
  - (d) avoidance of a possible assessment to tax,
  - (e) deferral of a payment of tax or advancement of a repayment of tax, and
  - (f) avoidance of an obligation to deduct or account for tax.
- (3) Arrangements are “tax arrangements” if, having regard to all the circumstances, it would be reasonable to conclude that the obtaining of a tax advantage was the main purpose, or one of the main purposes, of the arrangements.
- (4) “Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).

**202 “Tax enquiry” and “return”**

- (1) This section applies for the purposes of this Part.
- (2) “Tax enquiry” means—

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- (a) an enquiry under section 9A or 12AC of TMA 1970 (enquiries into self-assessment returns for income tax and capital gains tax), including an enquiry by virtue of notice being deemed to be given under section 9A of that Act by virtue of section 12AC(6) of that Act,
  - (b) an enquiry under paragraph 5 of Schedule 1A to that Act (enquiry into claims made otherwise than by being included in a return),
  - (c) an enquiry under paragraph 24 of Schedule 18 to FA 1998 (enquiry into company tax return for corporation tax etc), including an enquiry by virtue of notice being deemed to be given under that paragraph by virtue of section 12AC(6) of TMA 1970,
  - (d) an enquiry under paragraph 12 of Schedule 10 to FA 2003 (enquiries into SDLT returns),
  - (e) an enquiry under paragraph 8 of Schedule 33 to FA 2013 (enquiries into annual tax for enveloped dwellings returns), or
  - (f) a deemed enquiry under subsection (6).
- (3) The period during which an enquiry is in progress—
- (a) begins with the day on which notice of enquiry is given, and
  - (b) ends with the day on which the enquiry is completed.
- (4) Subsection (3) is subject to subsection (6).
- (5) In the case of inheritance tax, each of the following is to be treated as a return—
- (a) an account delivered by a person under section 216 or 217 of IHTA 1984 (including an account delivered in accordance with regulations under section 256 of that Act);
  - (b) a statement or declaration which amends or is otherwise connected with such an account produced by the person who delivered the account;
  - (c) information or a document provided by a person in accordance with regulations under section 256 of that Act;
- and such a return is to be treated as made by the person in question.
- (6) An enquiry is deemed to be in progress, in relation to a return to which subsection (5) applies, during the period which—
- (a) begins with the time the account is delivered or (as the case may be) the statement, declaration, information or document is produced, and
  - (b) ends when the person is issued with a certificate of discharge under section 239 of that Act, or is discharged by virtue of section 256(1)(b) of that Act, in respect of the return (at which point the enquiry is to be treated as completed).

## 203 “Tax appeal”

In this Part “tax appeal” means—

- (a) an appeal under section 31 of TMA 1970 (income tax: appeals against amendments of self-assessment, amendments made by closure notices under section 28A or 28B of that Act, etc), including an appeal under that section by virtue of regulations under Part 11 of ITEPA 2003 (PAYE),
- (b) an appeal under paragraph 9 of Schedule 1A to TMA 1970 (income tax: appeals against amendments made by closure notices under paragraph 7(2) of that Schedule, etc),

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- (c) an appeal under section 705 of ITA 2007 (income tax: appeals against counteraction notices),
- (d) an appeal under paragraph 34(3) or 48 of Schedule 18 to FA 1998 (corporation tax: appeals against amendment of a company's return made by closure notice, assessments other than self-assessments, etc),
- (e) an appeal under section 750 of CTA 2010 (corporation tax: appeals against counteraction notices),
- [<sup>F4</sup>(ea) an appeal under section 114 of FA 2016 (apprenticeship levy: appeal against an assessment),]
- (f) an appeal under section 222 of IHTA 1984 (appeals against HMRC determinations) other than an appeal made by a person against a determination in respect of a transfer of value at a time when a tax enquiry is in progress in respect of a return made by that person in respect of that transfer,
- (g) an appeal under paragraph 35 of Schedule 10 to FA 2003 (stamp duty land tax: appeals against amendment of self-assessment, discovery assessments, etc),
- (h) an appeal under paragraph 35 of Schedule 33 to FA 2013 (annual tax on enveloped dwellings: appeals against amendment of self-assessment, discovery assessments, etc), or
- (i) an appeal against any determination of—
  - (i) an appeal within paragraphs (a) to (h), or
  - (ii) an appeal within this paragraph.

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**Textual Amendments**

**F4** S. 203(ea) inserted (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), s. 104(5) (with s. 117)

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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):

- s. 212(4)(f) and word inserted by [2021 c. 26 Sch. 27 para. 43\(b\)\(ii\)](#)
- s. 212(5)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(ii\)](#)
- s. 212(5)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(iv\)](#)
- s. 212(5)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(v\)](#)
- Sch. 31 para. 2(3)(b) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(iii\)](#)
- Sch. 31 para. 2(4A) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(c\)](#)
- Sch. 31 para. 3(1A) inserted by [2017 c. 32 Sch. 14 para. 45\(3\)\(b\)](#)
- Sch. 31 para. 5(b) inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(c\)](#)
- Sch. 31 para. 2(3)(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(ii\)](#)
- Sch. 31 para. 5(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(b\)](#)
- Sch. 31 para. 2(3)(a) words renumbered as Sch. 31 para. 2(3)(a) by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(i\)](#)
- Sch. 31 para. 5(a) words renumbered as Sch. 31 para. 5(a) by [2017 c. 32 Sch. 14 para. 45\(4\)\(a\)](#)
- Sch. 32 para. 1(2)(b) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(iii\)](#)
- Sch. 32 para. 1(3A) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(c\)](#)
- Sch. 32 para. 1(2)(a) words inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(ii\)](#)
- Sch. 32 para. 1(2)(a) words renumbered as Sch. 32 para. 1(2)(a) by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(i\)](#)