

EXPLANATORY NOTE

(This note is not part of the Order)

This Order appoints 1st January 2011 as the day on which the amendments made by Schedule 17 to the Finance Act 2010 comes into force.

Those provisions amend Part 7 of the Finance Act 2004 (c. 12) (disclosure of tax avoidance schemes) to bring forward the obligation to disclose a scheme to the time a promoter first takes steps to market it, require promoters to provide periodic lists of clients who have implemented schemes and require intermediaries who market schemes to provide information leading to the identification of the promoter.

Section 98C(a) of the Taxes Management Act 1970 (c. 9) (penalties for failing to comply with duties relating to disclosure of tax avoidance schemes) is also amended to replace the present initial penalty with an initial daily penalty in certain cases.

A full Impact Assessment of the effect that this instrument will have on the costs of business and the voluntary sector is included in the impact assessment for the package containing the provisions commenced by this Order and is available at

<http://webarchive.nationalarchives.gov.uk/20091222074811/http://hmrc.gov.uk/budget2010/strength-revise-dotas-ia-5295.pdf>.

(a) Section 98C was inserted by section 315 of the Finance Act 2004 (c. 12) and was amended by section 108 of the Finance Act 2007 (c. 11), and paragraph 7 of Schedule 38 to the Finance Act 2008 (c. 9).