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## EXPLANATORY NOTE

*(This note is not part of the Scheme)*

This Scheme provides for the approval of child care providers for the purposes of section 12(5) of the Tax Credits Act 2002 (“the Act”)(1). The National Assembly for Wales is the “appropriate national authority” in relation to care provided in Wales. Qualifying child care (as defined) provided by a person approved in accordance with this Scheme constitutes care provided by a person of a prescribed description for the purposes of section 12(4) of the Act. Regulations made under section 12(1) of the Act prescribe the circumstances in which entitlement to working tax credit in respect of care provided by a person approved in accordance with this Scheme may arise. (See the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (S.I.2002/2005)(2).

The approval body named in this Scheme is specified by the National Assembly for Wales under section 12(7) of the Act (article 3). Applications for approval are determined by the approval body in accordance with criteria set out in this Scheme (article 7).

The Scheme further provides:

- (a) for the approval body to operate a system for the determination of applications for approval (article 8);
- (b) for the approval body to provide information to the Commissioners for Her Majesty’s Revenue and Customs in order to enable them to discharge their functions relating to working tax credit (article 9);
- (c) for the period of validity of an approval (article 10);
- (d) for the right to appeal against the refusal or withdrawal of approval (article 11);
- (e) for the charging of fees by the approval body (article 12);
- (f) for the earliest date on which approvals under the scheme may be given (article 13).

This Scheme applies only in relation to Wales.

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(1) Tax Credits Act 2002. (c.21)

(2) Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (S.I. 2002/2005).