
EXPLANATORY NOTE

(This note is not part of the Order)

This Order appoints 6th April 2010 as the day on which the penalty regime for failure to make payments of certain amounts of tax set out in Schedule 56 to the Finance Act 2009 (“Schedule 56”) comes into force. The new regime is commenced for income tax payable under (a) the Income Tax (Pay As You Earn) Regulations 2003 (S.I.2003/2682) (the “PAYE Regulations”) and (b) Chapter 3 of Part 3 of the Finance Act 2004 (the construction industry scheme) and tax charges payable by scheme administrators of registered pension schemes under Part 4 of the Finance Act 2004.

Article 1 provides for citation and commencement.

Article 2 provides definitions.

Article 3 provides that the appointed day for items 2,3 and 4 of the Table found in paragraph 1 of Schedule 56 and for items 17, 23 and 24 of the same Table when they fall within items 2, 3 or 4, is 6th April 2010.

Article 4 omits regulations 203 and 204 of the PAYE Regulations and regulations 48 and 49 of the Income Tax (Construction Industry Scheme) Regulations 2005 (S.I.2005/2045) which impose surcharges for late payments of tax on large employers. The article provides that the regulations will continue to have effect in respect of surcharges that arise in respect of late paid tax arising in respect of tax periods on or before 5th April 2010. Paragraph 110 of Schedule 2 to the Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56) (which amends regulation 204) is also omitted.

A full impact assessment covering the introduction of the new penalty regime entitled “Working towards a harmonised regime and meeting the obligations to file returns and pay tax on time” was published on 14th April 2009 and is available at www.hrmc.gov.uk/better-regulation/ia.htm.