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STATUTORY INSTRUMENTS

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**2015 No. 0000**

**ENFORCEMENT**

**The Enforcement by Deduction from Accounts (Information)  
Regulations 2015**

<i>Made</i>	- - - -	<i>date</i>
<i>Laid before the House of Commons</i>		<i>date</i>
<i>Coming into force</i>	- -	<i>date</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by [paragraphs 3(2), 7(2)(a), 7(2)(c), 7(2)(d), 7(4)(b) and 22(1)(a) of Schedule 8] of the Finance Act 2015**(b)**.

**Citation, commencement and extent**

**1.**—(1) These Regulations may be cited as the Enforcement by Deduction from Accounts (Information) Regulations 2015 and come into force on [\*] 2015.

(2) These Regulations extend to England and Wales and Northern Ireland only.

**Interpretation**

**2.**—(1) In these Regulations—

“account details” in respect of an account held by P means—

- (a) any account number;
- (b) any roll number;
- (c) any sort code;
- (d) the type of account, including whether or not it is a joint account;
- (e) the account balance (in the currency in which it is held);
- (f) the interest rate;
- (g) any minimum balance required to keep the account open;
- (h) any contractual term by virtue of which an account holder or interested third party may suffer economic loss where a hold notice or a deduction notice is, or has been, given;
- (i) specified information about—
  - (i) any holder of the account other than P;

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(a) See the definition of “prescribed”.  
(b) 2015 c.[\*].

(ii) any person (not falling in paragraph (i)) who is an interested third party in respect of the account;

(iii) any person who, in respect of the account, has power of attorney;

“P” means the person in respect of whom HMRC has given an information notice or hold notice, as applicable;

“specified information” in respect of a person means—

(a) name and address;

(b) any national insurance number;

(c) any email address;

(d) any telephone number;

(e) the fraction of the balance of the joint account to which the person is entitled, where applicable.

(2) Information is only prescribed under these Regulations to the extent that it is in the possession of, or immediately available to, the deposit-taker at the time they receive the information notice or hold notice, as applicable.

### **Prescribed information in respect of information notice**

**3.**—(1) The following information is prescribed for the purposes of [paragraph 3(2)] of [Schedule 8] to the Finance Act 2015—

(a) account details for each account P holds with the deposit-taker;

(b) specified information in relation to P.

(2) The information prescribed by this regulation must be that as at the time the deposit-taker complies with the information notice.

### **Prescribed information in respect of hold notice**

**4.**—(1) The following information is prescribed for the purposes of [paragraph 7(2)] of [Schedule 8] to the Finance Act 2015—

(a) account details for each account P holds with the deposit-taker;

(b) confirmation of which of the accounts described at sub-paragraph (a) is an affected account;

(c) the total of all held amounts notified under [paragraph 7(2)(b)] of [Schedule 8] to the Finance Act 2015;

(d) the difference between the amount described at sub-paragraph (c) and the total of amounts standing to the credit of each account immediately after the deposit-taker has complied with [paragraph 5(1)] of [Schedule 8] to the Finance Act 2015;

(e) specified information in relation to P;

(f) the date on which the deposit-taker complied with [paragraph 5(1)] of [Schedule 8] to the Finance Act 2015;

(g) confirmation that the deposit-taker understands the effect of [paragraph 13(1)(g)] of [Schedule 8] to the Finance Act 2015;

(h) a description of any economic loss suffered by an account holder or interested third party by virtue of any contractual term specified in the definition of “account details” in regulation 2 at sub-paragraph (h).

(2) In this regulation “held amounts” is to be read in accordance with [paragraph 6] of [Schedule 8] to the Finance Act 2015.

**5.**—(1) The following information is prescribed for the purposes of [paragraph 7(4)(b)] of [Schedule 8] to the Finance Act 2015.

(2) The information which the deposit-taker has taken into account to determine that there are no affected accounts.

6. The information prescribed by regulations 4 and 5 must be that as at the time the deposit-taker complies with [paragraph 5(1)] of [Schedule 8] to the Finance Act 2015, except where indicated otherwise at regulation 4(1)(d).

	<i>Name</i>
	<i>Name</i>
Date	Two of the Commissioners for Her Majesty's Revenue and Customs

**EXPLANATORY NOTE**

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

These Regulations prescribe information for the purposes of [\*] of the Finance Act 2015 (the “2015 Act”).

Regulation 3 prescribes the information which must be provided by a deposit-taker to HMRC on receipt of an information notice under [paragraph 3 of Schedule 8 to the 2015 Act]. Regulations 4 and 5 prescribe the information which must be provided by a deposit-taker to HMRC on receipt of a hold notice under [paragraph 4 of Schedule 8 to the 2015 Act]. In both cases, the prescribed information includes “specified information” about persons with an interest in relevant accounts and “account details” about relevant accounts – these concepts are defined at regulation 2.

Tax Information and Impact Note covering this instrument was published on 8 July 2015 and is available on the HMRC website at <https://www.gov.uk/government/publications/direct-recovery-of-hm-revenue-and-customs-debts-from-debtors-bank-and-building-society-accounts>. It remains an accurate summary of the impacts that apply to this instrument.

**EXPLANATORY MEMORANDUM TO**  
**THE ENFORCEMENT BY DEDUCTION FROM ACCOUNTS**  
**(INFORMATION) REGULATIONS 2015**

**2015 No. [XXXX]**

1. This explanatory memorandum has been prepared by HM Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.
2. **Purpose of the instrument**
  - 2.1 This instrument prescribes the information that must be provided by a deposit-takers to HMRC on receipt of an information notice or hold notice under [Schedule 8 of the Finance Act 2015]. The prescribed information includes “specified information” about persons with an interest in relevant accounts and “account details” about relevant accounts – these concepts are defined at regulation 2.
3. **Matters of special interest to the Select Committee on Statutory Instruments**
  - 3.1 None.
4. **Legislative Context**
  - 4.1 [Schedule 8 of the Finance Act 2015] allows HMRC to enforce the collection of debt directly from the accounts of the relevant debtor – the direct recovery of debt (DRD). HMRC relies on information provided by deposit-takers to carry out this power. The process involves HMRC sending an information notice to a deposit-taker, to determine what assets are held by the debtor with the deposit-taker (and in which accounts). Subsequently, HMRC may issue a hold notice to the deposit-taker, requiring a hold to be placed on assets for transfer to HMRC pending statutory rights of objection (to HMRC) and appeal (to the County Court) by the debtor.
  - 4.2 These regulations prescribe what information a deposit-taker must provide to HMRC on receipt of either an information notice or hold notice, to allow HMRC to determine whether DRD action is appropriate for the relevant debtor, and whether the process has been carried out correctly.
5. **Territorial Extent and Application**
  - 5.1 This instrument applies to England, Wales and Northern Ireland.
6. **European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

7.1 At Budget 2014 the Chancellor announced the Government's intentions to introduce new powers to allow HMRC to secure payment of tax and tax credit debts directly from debtors' bank and building society accounts in credit – the direct recovery of debt (DRD). This is to make the tax system fairer by targeting those who have the means to pay what they owe but choose not to do so, despite repeated contact from HMRC.

7.2 Following public consultation, the Government introduced a number of additional safeguards to strengthen the measure and ensure that it only affected the intended minority of debtors with the means to pay what they owe. These safeguards were set out in the Government's consultation response of 21 November 2014 and included a guaranteed face-to-face visit with every debtor whose debts are considered for recovery through the measure.

7.3 HMRC will only take action against debtors who owe at least £1,000 of tax or tax credit debt. HMRC will always leave a minimum aggregate of £5,000 across debtors' accounts, and will only put a hold on funds in affected accounts up to the value of the debt.

## **8. Consultation outcome**

8.1 A public consultation document for DRD was published on 6 May 2014. The formal consultation ran until 29 July 2014. The Government published its response on 21 November 2014, and draft primary legislation was published on 10 December 2014 for further consultation.

## **9. Guidance**

9.1 The Government will publish guidance on DRD to help debtors affected by the measure, deposit-takers in receipt of an information or hold notice, and other interested organisations, understand the processes involved. This will include an explanation of the responsibilities a deposit-taker has in carrying out instructions received from HMRC, and the rights of objection and appeal available to a debtor to whose accounts DRD has been applied.

## **10. Impact**

10.1. A Tax Information and Impact Note covering this instrument was published on 8 July alongside Financial Bill 2015 and is available on the HMRC website at <https://www.gov.uk/government/publications/direct-recovery-of-hm-revenue-and-customs-debts-from-debtors-bank-and-building-society-accounts>. It remains an accurate summary of the impacts that apply to this instrument.

## **11. Regulating small business**

11.1 The instrument only applies to deposit-takers who are required to provide prescribed information in complying with an information notice or hold notice provided by HMRC. Such deposit-takers are not anticipated to be small or micro-businesses.

## **12. Monitoring & review**

12.1 DRD will be kept under review through regular communication with affected taxpayer groups. The Government has committed to an HMRC-led review of the measure after two years of operation, to be laid before Parliament.

## **13. Contact**

Andrew Willis at HM Revenue and Customs (Tel: 03000 579079 or Email: [andrew.willis@hmrc.gsi.gov.uk](mailto:andrew.willis@hmrc.gsi.gov.uk)) can be contacted for any queries regarding this instrument.