Draft Regulations laid before the House of Commons under section 98C(2F)(c) of the Taxes Management Act 1970, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2007 No.

TAXES

The Tax Avoidance Schemes (Penalty) Regulations 2007

Made - - - - ***

Coming into force in accordance with regulation 1

A draft of these Regulations was laid before, and approved by, the House of Commons.

Accordingly, the Treasury make the following Regulations in exercise of the powers conferred by section 98C(2A) to (2C)(a) of the Taxes Management Act 1970(**1**):

Citation and commencement

1. These Regulations may be cited as the Tax Avoidance Schemes (Penalty) Regulations 2007 and shall come into force 21 days after they are made.

Interpretation

2. In these Regulations—

"FA 2004" means the Finance Act 2004; and

"TMA 1970" means the Taxes Management Act 1970.

Increased penalty following the making of an order under section 306A of FA 2004

3. Where a penalty is imposed under section 98C(1) of TMA 1970 following the making of an order under section 306A of FA 2004(**2**), the amount specified in section 98C(1)(b) of TMA 1970 (daily penalty) is increased to £5,000.

Increased penalty following the making of an order under section 314A of FA 2004

4. Where a penalty is imposed under section 98C(1) of TMA 1970 following the making of an order under section 314A of FA 2004(**3**), the amount specified in section 98C(1)(b) of TMA 1970 is increased to £5,000.

(**1**) 1970 (c. 9); section was inserted by section 108(9)(b) of the Finance Act 2007 (c. 11).
(**2**) 2004 c.12; section 306A was inserted by section 108(2) of the Finance Act 2007.
(**3**) Section 308A was inserted by section 108(4) of the Finance Act 2007.