

**1 Promoters of tax avoidance: failure to comply with stop notice etc**

(1) In FA 2014, before section 278 (but after the italic heading) insert—

**“277A Offences relating to stop notices**

- (1) A person who, without reasonable excuse, fails to comply with a duty imposed under section 236B(1) is guilty of an offence.
- (2) The recipient of a stop notice (“R”) is guilty of an offence if—
  - (a) R fails, without reasonable excuse, to comply with a duty imposed under section 236B(3)(a), (4)(a) or (5)(a) to give a copy of the notice to another person (“P”),
  - (b) P subsequently fails to comply with a duty imposed under section 236B(1) in relation to the notice, and
  - (c) at the time of P’s failure the stop notice continues to have effect in relation to R.
- (3) For the purposes of this section—
  - (a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person's control,
  - (b) if the person relies on any other person to do anything, that is not a reasonable excuse unless the first person took reasonable care to avoid the failure,
  - (c) if the person had a reasonable excuse for the failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased, and
  - (d) reliance on legal advice is to be taken automatically not to constitute a reasonable excuse where the person is a monitored promoter if either—
    - (i) the advice was not based on a full and accurate description of the facts, or
    - (ii) the conclusions in the advice that the person relied on were unreasonable.

**277B Offences relating to stop notices by bodies corporate etc**

- (1) If an offence under section 277A committed by a body corporate is shown—
  - (a) to have been committed with the consent or connivance of an officer, or
  - (b) to be attributable to neglect on the part of an officer,the officer (as well as the body corporate) is guilty of the offence and liable to be proceeded against and punished accordingly.
- (2) Where the affairs of a body corporate are managed by its members, subsection (1) applies in relation to the acts and omissions of a member in connection with the member's functions of management as if the member were an officer of the body corporate.

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- (3) If an offence under section 277A committed by a partnership or a Scottish partnership is shown—
    - (a) to have been committed with the consent or connivance of a partner, or
    - (b) to be attributable to neglect on the part of a partner, the partner (as well as the partnership) is guilty of the offence and liable to be proceeded against and punished accordingly.
  - (4) In subsection (3), “partner” includes a person purporting to act as a partner.
  - (5) In this section, “officer”, in relation to a body corporate, means—
    - (a) a director, manager, secretary or similar officer of the body corporate, or a person purporting to act in such a capacity, or
    - (b) a shadow director within the meaning of section 251 of the Companies Act 2006.”
  - (2) In section 280(1) of FA 2014 (penalties for offences), after “section” insert “277A,”.
  - (3) The offence under section 277A(1) of FA 2014 (as inserted by subsection (1)) applies in relation to a failure to comply that occurs on or after the date on which this Act is passed.
  - (4) The offence under section 277A(2) of FA 2014 (as inserted by subsection (1)) applies in relation to duties under section 236B(3)(a), (4)(a) or (5)(a) arising on or after the date on which this Act is passed.
  - (5) In section 236B(7) of FA 2014 (effect of stop notices), for “(5)(b)” substitute “(5)(a)”.