

Explanatory Note

Clause 76: power to impose penalties on charities and intermediaries

Summary

1. This clause amends primary legislation introduced at Finance Bill 2014. This amendment gives HMRC the power to impose penalties if an intermediary or a charity fails to comply with requirements set out in regulations. An appointed day order will be completed to commence the primary legislation when regulations have been finalised.

Details of the clause

2. Subsection 5 sets out when a penalty may be imposed, the maximum amount that can be imposed per failure to comply with requirements and confers a right of appeal against the imposition of a penalty.

Background note

3. At Finance Bill 2015 primary legislation was introduced to define intermediaries and explain their relationship with charities. The aim is to make it simpler for donors to Gift Aid their donations made through digital channels such as text message donations and online donations. This supports the government's objective of maximising Gift Aid on eligible donations.
4. This measure will give HMRC the powers to impose penalties if intermediaries fail to comply with requirements set out in regulations.
5. These regulations will be discussed in a technical consultation early next year and will be laid later in 2016.
6. If you have any further question please contact Chris Maudsley on 03000 518 538 or email christopher.maudsley@hmrc.gsi.gov.uk