
STATUTORY INSTRUMENTS

2016 No. 44

ENFORCEMENT

The Enforcement by Deduction from Accounts (Imposition of Charges by Deposit-takers) Regulations 2016

<i>Made</i>	- - - -	<i>18th January 2016</i>
<i>Laid before the House of Commons</i>	- - - -	<i>20th January 2016</i>
<i>Coming into force</i>	- -	<i>10th February 2016</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by paragraph 20(2)(e) of Schedule 8 to the Finance (No. 2) Act 2015⁽¹⁾.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Enforcement by Deduction from Accounts (Imposition of Charges by Deposit-takers) Regulations 2016 and come into force on 10th February 2016.

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

Interpretation

2. In these Regulations “administrative costs” means the administrative costs incurred by a deposit-taker in complying with an obligation under Schedule 8 to the Finance (No.2) Act 2015 to which a final payment required under paragraph 13(11)(b)(ii) of that Schedule relates.

Imposition of charges

3. A deposit-taker may impose a charge upon an account holder in respect of administrative costs only where—

- (a) there is an agreement between it and the account holder (or, as the case may be, account holders), which provides that the deposit-taker may charge a fee in respect of those costs,
- (b) the deposit taker—
 - (i) has made the final payment required by paragraph 13(11)(b)(ii), and

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- (ii) has not previously imposed a charge in respect of those costs, and
- (c) the amount of the charge imposed does not exceed the amount specified in regulation 4.

Amount that can be charged for administrative costs

- 4. The amount specified in this regulation is the lesser of—
 - (a) the amount of those administrative costs reasonably incurred by the deposit-taker, and
 - (b) £55.

Edward Troup
Ruth Owen

Two of the Commissioners for Her Majesty's
Revenue and Customs

18th January 2016

EXPLANATORY NOTE

(This note is not part of the Regulations)

Schedule 8 to the Finance (No.2) Act 2015 (c.33) makes provision for the collection of sums due and payable by a person to HMRC by making a deduction from accounts that the person holds with deposit-takers (“direct recovery of debts”). These Regulations provide that a deposit-taker is prevented from charging a fee in respect of administrative costs incurred by it in complying with any obligation that it is required to carry out under that Schedule other than in certain specified circumstances.

Regulation 3 provides that a deposit-taker may charge an account holder a fee in respect of administrative costs only where, it has agreed with the account holder, (or account holders), that a fee can be charged, the direct recovery of debts process has concluded, the deposit-taker has not previously imposed a fee in respect of those costs, and the fee charged does not exceed the amount specified in regulation 4.

Regulation 4 provides that the fee charged by the deposit-taker cannot exceed the amount of the administrative costs reasonably incurred by it in carrying out an obligation which it is required to fulfil in relation to the use of the direct recovery of debts procedure in that instance, and, in any event, cannot be more than £55.

A Tax Information and Impact Note covering this instrument was published on 8th 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.