



Budget 2008:

Tax Avoidance Disclosure Regime: Scheme Reference Number System

The Finance Act 2004 introduced provisions whereby tax avoidance schemes that meet certain criteria must be disclosed to HMRC by the persons involved in devising and marketing the scheme. HMRC would then issue a scheme reference number ("SRN") which any client who implemented the scheme would have to declare in his tax return.

The tax avoidance disclosure regime has been amended as follows:

1. co promoters are only relieved of the obligation to disclose a scheme if the promoter notifies HMRC of the existence of co promoters and provides those co promoters with a copy of the disclosures or if the promoter notifies any further co promoters of the SRN and provides them with a copy of the disclosure;
2. the legislation will make it clear that clients who implement the disclosed tax avoidance schemes must provide the SRNs regardless of when such number is provided;
3. promoters will have to provide SRNs to clients using an HMRC approved form. This form will provide instructions to the client on what to do with the scheme reference number;
4. clients who receive an SRN must pass it on to any other person who is party to the same scheme and is obtaining a tax advantage from using it; and
5. HMRC will be able to withdraw scheme reference numbers. It is not clear why HMRC would wish to exercise such a power.

Elizabeth Small
Partner
Tel: 020 7330 6919
elizabeth.small@halliwells.com

Richard Clitherow
Associate
Tel: +44 0161 618 4766
richard.clitherow@halliwells.com

Halliwells LLP Tel: +44 (0)844 875 8000
3 Hardman Square Spinningfields Manchester M3 3EB
1 Threadneedle Street London EC2R 8AY
City Plaza Pinfold Street Sheffield S1 2GU
The Plaza 100 Old Hall Street Liverpool L3 9TD
www.halliwells.com

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