

SCHEDULES

SCHEDULE 13

Section 33

PROMOTION OF TAX AVOIDANCE SCHEMES

Disqualification for promoting tax avoidance

1 In CDDA 1986, after section 8ZE insert—

“Disqualification for promoting tax avoidance

8ZF Disqualification following winding up under s.85 of Finance Act 2022

- (1) The court must make a disqualification order against a person if, on an application under this section, it is satisfied—
 - (a) that the person has at any time after the coming into force of this section been a director of a company while the company was a relevant body within the meaning of section 85(4) of the Finance Act 2022 (winding up of promoters of tax avoidance schemes), and
 - (b) that a court has made a winding-up order in respect of the company under section 85(3) of that Act (whether while the person was a director or subsequently).
- (2) An officer of Revenue and Customs may make an application to the court for a disqualification order against a person under this section if it appears to the officer that it is expedient in the public interest for such an order to be made.
- (3) Except with the permission of the court, an application under [subsection \(2\)](#) may not be made after the end of the period of 3 years beginning with the day on which the winding-up order in question is made.
- (4) Under this section the minimum period of disqualification is 2 years, and the maximum is 15 years.
- (5) An officer of Revenue and Customs may accept a disqualification undertaking if it appears to the officer—
 - (a) that the conditions mentioned in [subsection \(1\)](#) are satisfied in relation to the person who has offered to give the disqualification undertaking, and
 - (b) that it is expedient in the public interest that the officer should accept the undertaking (instead of applying, or proceeding with an application, for a disqualification order).
- (6) In this section—

“company” includes overseas company;
“court” means—

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- (a) the court having jurisdiction for the purposes of the Insolvency Act 1986, or
 - (b) the High Court in Northern Ireland;
- “director” includes a shadow director.

8ZG Disqualification on finding of unfitnes: promoters of tax avoidance

- (1) The court may make a disqualification order against a person if, on an application under this section, it is satisfied—
 - (a) that the person—
 - (i) is a director of a company that carries on business as a promoter within the meaning of Part 5 of the Finance Act 2014 (promoters of tax avoidance schemes), or
 - (ii) after the coming into force of this section, was a director of a company at a time at which it did so, and
 - (b) that the person’s conduct in relation to the company (either taken alone or taken together with the person’s conduct as a director of one or more other companies) makes the person unfit to be concerned in the management of a company.
- (2) For the purposes of [subsection \(1\)\(a\)\(i\)](#), Part 5 of the Finance Act 2014 has effect as if, in section 234 of that Act—
 - (a) references to “tax” included value added tax and other indirect taxes, and
 - (b) the definition of “tax advantage” also included a tax advantage as defined for VAT in paragraph 6, and for other indirect taxes in paragraph 7, of Schedule 17 to the Finance (No. 2) Act 2017 (disclosure of tax avoidance schemes: VAT and other indirect taxes).
- (3) References in [subsection \(1\)\(b\)](#) to a person’s conduct include conduct occurring before, as well as after, the coming into force of this section.
- (4) An officer of Revenue and Customs may make an application to the court for a disqualification order against a person under this section if it appears to the officer that it is expedient in the public interest for such an order to be made.
- (5) The maximum period of disqualification under this section is 15 years.
- (6) An officer of Revenue and Customs may accept a disqualification undertaking if it appears to the officer—
 - (a) that the conditions mentioned in [subsection \(1\)](#) are satisfied in relation to the person who has offered to give the disqualification undertaking, and
 - (b) that it is expedient in the public interest that the officer should accept the undertaking (instead of applying, or proceeding with an application, for a disqualification order).
- (7) In this section—
 - “company” includes overseas company;
 - “the court” means—
 - (a) in England and Wales, the High Court;
 - (b) in Scotland, the Court of Session;

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- (c) in Northern Ireland, the High Court in Northern Ireland;
“director” includes a shadow director;
“indirect tax” has the same meaning as in Schedule 17 to the
Finance (No. 2) Act 2017 (see paragraph 2(1) of that Schedule).”

Minor and consequential amendments

- 2 (1) CDDA 1986 is amended as follows.
- (2) In section 1 (disqualification orders: general)—
- (a) in subsection (1), after “6” insert “, 8ZF”;
 - (b) in subsection (2), for “and 8ZA” substitute “, 8ZA and 8ZF”.
- (3) In section 1A (disqualification undertakings: general)—
- (a) in subsection (1)—
 - (i) for “and 8ZE” substitute “, 8ZE, 8ZF and 8ZG”, and
 - (ii) for “Secretary of State” substitute “appropriate authority”;
 - (b) in subsection (2), for “or 8ZC” substitute “, 8ZC or 8ZF”;
 - (c) in subsection (4), for “Secretary of State” substitute “appropriate authority”;
 - (d) after subsection (4) insert—

“(5) In this section “the appropriate authority” means—

 - (a) in relation to an undertaking under section 8ZF or 8ZG, an officer of Revenue and Customs;
 - (b) in any other case, the Secretary of State.”
- (4) In section 8A (variation etc. of disqualification undertaking)—
- (a) after subsection (2) insert—

“(2ZA) Subsection (2) does not apply to an application in the case of an undertaking given under section 8ZF or 8ZG, and in such a case on the hearing of the application an officer of Revenue and Customs—

 - (a) must appear and call the attention of the court to any matters which appear to the officer to be relevant;
 - (b) may give evidence or call witnesses.”;
 - (b) in subsection (3), in paragraph (b), for “or 8” substitute “, 8, 8ZF or 8ZG”.
- (5) In section 12A (Northern Irish disqualification orders), in the words before paragraph (a), after “2002” insert “or made by the High Court of Northern Ireland under section 8ZF or 8ZG”.
- (6) In section 12B (Northern Irish disqualification undertakings), in the words before paragraph (a), after “undertaking” insert “under section 8ZF or 8ZG so far as they extend to Northern Ireland or”.
- (7) In section 12C (determining unfitness etc: matters to be taken into account)—
- (a) in subsection (1)—
 - (i) in paragraph (b), after “8” insert “, 8ZG”, and
 - (ii) in paragraph (c), after “6” insert “or 8ZF”;
 - (b) after subsection (3) insert—

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- “(3A) This section also applies where an officer of Revenue and Customs must determine—
- (a) whether a person's conduct as a director of one or more companies or overseas companies makes the person unfit to be concerned in the management of a company;
 - (b) whether to exercise any discretion the officer has to accept a disqualification undertaking under section 8ZF or 8ZG.”;
 - (c) in subsection (4), after “Secretary of State” insert “or the officer (as the case may be)”.
- (8) In section 16(4) (application for disqualification order: parties), after paragraph (b) insert—
- “(ba) an officer of Revenue and Customs;”.
- (9) In section 17 (application for leave under an order or undertaking)—
- (a) after subsection (3ZB) insert—
- “(3ZC) Where a person is subject to a disqualification undertaking accepted at any time under section 8ZF or 8ZG, any application for leave for the purposes of section 1A(1)(a) must be made to any court to which, if an officer of Revenue and Customs had applied for a disqualification order under the section in question at that time, the application could have been made.”;
- (b) after subsection (5) insert—
- “(5A) Subsection (5) does not apply to an application for leave—
- (a) for the purposes of section 1(1)(a) if the application for the disqualification order was made by an officer of Revenue and Customs, or
 - (b) for the purposes of section 1A(1)(a) if the disqualification undertaking was accepted by an officer of Revenue and Customs.
- (5B) In such a case, on the hearing of the application an officer of Revenue and Customs—
- (a) must appear and call the attention of the court to any matters which appear to the officer to be relevant;
 - (b) may give evidence or call witnesses.”
- (10) In section 18(2A) (disqualification undertakings to be included in register), after paragraph (a) insert—
- “(aa) disqualification undertakings accepted by an officer of Revenue and Customs under section 8ZF or 8ZG;”.
- (11) In section 20 (admissibility in evidence of statements)—
- (a) in subsection (1), after “1986” insert “or under the 1989 Order”;
 - (b) in subsection (3)—
 - (i) omit the “or” at the end of paragraph (c);
 - (ii) at the end of paragraph (d), insert “; or
 - (e) an offence under Article 10 of the Perjury (Northern Ireland) Order 1979 (S.I. 1979/1714 (N.I. 19)) (false statements made otherwise than on oath).”;

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(c) after subsection (4) insert—

“(5) In subsection (1), “the 1989 Order” means the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).”

(12) In section 21 (interaction with Insolvency Act 1986)—

(a) in the heading, after “1986” insert “etc”;

(b) after subsection (4) insert—

“(5) Sections 8ZF and 8ZG and the other provisions of this Act so far as relating to applications and orders made, and undertakings accepted, under those provisions in Northern Ireland, are deemed included in Parts 2 to 7 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) for the purposes of the following Articles of that Order—

Article 359 (power to make insolvency rules);

Article 361 (fees orders).”

(13) In section 22 (interpretation), after subsection (2A) insert—

“(2B) So far as this Act extends to Northern Ireland, subsections (2) and (2A) do not apply and instead—

“company” means—

(a) a company registered under the Companies Act 2006 in Northern Ireland, or

(b) a company that may be wound up under Part 6 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) (unregistered companies), and

“overseas company” means a company which is incorporated or formed outside Northern Ireland.”

(14) In section 22H (application of Act to protected cell companies)—

(a) in subsection (1)(a), at the beginning, insert “so far as this section extends to England and Wales and Scotland,”;

(b) after subsection (1)(a) insert—

“(aa) so far as this section extends to Northern Ireland, “protected cell company” means a protected cell company incorporated under Part 4 of the Risk Transformation Regulations 2017 which has its registered office in Northern Ireland;”

(c) in subsection (4)(j), at the beginning insert “so far as this section extends to England and Wales and Scotland,”;

(d) after subsection (4)(j), insert—

“(k) so far as this section extends to Northern Ireland, references to an overseas company include references to a protected cell company incorporated under the Risk Transformation Regulations 2017 which has its registered office in England and Wales (or Wales) or Scotland.”

(15) In section 24 (extent), after subsection (2) insert—

“(3) For provision extending this Act (other than sections 13 to 15) to Northern Ireland so far as relating to applications and orders made, and undertakings

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accepted, under section 8ZF or 8ZG, see paragraph 4 of Schedule 13 to the Finance Act 2024.”

- 3 In the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)), in the heading of Article 17, for “in Great Britain” substitute “under the Company Directors Disqualification Act 1986”.

Extent

- 4 (1) The amendments made by paragraph 1 extend to England and Wales, Scotland and Northern Ireland.
- (2) The amendments made by paragraph 2 extend to—
- (a) England and Wales and Scotland, and
 - (b) Northern Ireland, so far as relating to applications and orders made, and undertakings accepted, under sections 8ZF or 8ZG of CDDA 1986 (inserted by paragraph 1).
- (3) The other provisions of CDDA 1986, except for sections 13 to 15 (consequences of contravention), extend to Northern Ireland (as well as England and Wales and Scotland) so far as relating to applications and orders made, and undertakings accepted, under section 8ZF or 8ZG.

Practice and procedure

- 5 (1) The procedural rules for applications under section 8 of CDDA 1986 apply to HMRC disqualification applications as they apply to applications by the Secretary of State, subject to any necessary modifications.
- (2) The procedural rules for applications under Article 11 of the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) apply to HMRC disqualification applications as they apply to applications by the Department for the Economy in Northern Ireland, subject to any necessary modifications.
- (3) Sub-paragraphs (1) and (2) apply only if, and to the extent that, there are not otherwise procedural rules for HMRC disqualification applications.
- (4) In this paragraph—
- (a) the “procedural rules” for applications of a particular kind are the rules, regulations or practice directions for the time being governing the practice and procedure (including fees) in respect of applications of that kind, and
 - (b) an “HMRC disqualification application” is an application by an officer of Revenue and Customs under section 8ZF or 8ZG of CDDA 1986.

Interpretation

- 6 In this Schedule, “CDDA 1986” means the Company Directors Disqualification Act 1986.