EXPLANATORY MEMORANDUM TO

THE FINANCE ACT 2009 (PUBLISHING DETAILS OF DELIBERATE TAX DEFAULTERS: INCREASE TO THRESHOLD) ORDER 2026

2026 No. 1000

1. Introduction

1.1 This Explanatory Memorandum has been prepared by His Majesty's Revenue and Customs (HMRC) on behalf of His Majesty's Treasury and is laid before the House of Commons by Command of His Majesty.

2. Declaration

2.1 Rt Hon James Murray MP, Financial Secretary to the Treasury confirms that this Explanatory Memorandum meets the required standard.

2.2 Zoë Nettelfield and Declan Norris, Deputy Directors for Strategic Data Policy at HMRC, confirm that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Jude Murphy at HMRC can be contacted by email at the following address with any queries regarding the instrument: ipd.disclosure@hmrc.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 HMRC currently publishes details of deliberate tax defaulters where certain statutory conditions are met. One condition is that the potential lost revenue exceeds £25,000. Potential lost revenue is the additional amount of tax due or payable as a result of HMRC's investigation into the deliberate defaulter. The potential lost revenue can accrue over more than one tax year, or tax period.

4.2 This instrument increases the potential lost revenue threshold for HMRC to publish a deliberate defaulter's details to £50,000. This means that when this instrument comes into force, HMRC will only publish details of deliberate defaulters where the potential lost revenue exceeds £50,000.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the United Kingdom.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the United Kingdom.

5. Policy Context

What is being done and why?

5.1 HMRC currently publishes information (including names) of persons who have been penalised for deliberate tax non-compliance: inaccuracies, failing to notify, and certain VAT and Excise duty wrongdoings where the potential lost revenue exceeds £25,000. Publishing details aims to deter deliberate tax non-compliance; reassure

those who do pay the right tax; and encourage those who do not pay the right tax to come forward and bring their tax affairs up to date.

5.2 This instrument increases the qualifying threshold to £50,000 potential lost revenue so that HMRC may only publish details of defaulters if the deliberate non-compliance involves potential lost revenue exceeding £50,000. This instrument only changes the potential lost revenue threshold for publication. It is being made alongside separate planned changes to the primary Publishing Details of Deliberate Tax Defaulters legislation in section 94 of the Finance Act 2009. These related Finance Bill changes, if passed, will allow HMRC to publish more information about the deliberate tax default that led to publication of the defaulter's details and will also allow HMRC to start publishing details of company officers who have received personal liability notices.

5.3 These changes are intended to ensure HMRC focuses publication on the most serious cases of deliberate tax non-compliance and to strengthen the policy's effect as a deterrent to deliberate non-compliance.

What was the previous policy, how is this different?

5.4 The previous policy allowed HMRC to publish details where the potential lost revenue exceeded £25,000. The threshold is being increased because the Government is updating the policy to focus publication on more serious cases of deliberate tax non-compliance and to ensure the regime remains proportionate. This forms part of a wider package of changes intended to strengthen the deterrent effect of publication by making published information more targeted and informative.

6. Legislative and Legal Context

How has the law changed?

6.1 HMRC previously published details of deliberate tax defaulters where the potential lost revenue related to the deliberate non-compliance exceeded £25,000. The legislation that sets this threshold is at section 94(1)(b) of the Finance Act 2009. This statutory instrument will amend that legislation to increase the potential lost revenue threshold to £50,000.

Why was this approach taken to change the law?

6.2 This is the only possible approach to make the necessary change because section 94(12) to (15) of the Finance Act 2009 provides for the financial limit in section 94(1)(b) to be varied by Treasury order, subject to the negative resolution procedure.

7. Consultation

Summary of consultation outcome and methodology

7.1 A consultation has not been undertaken on this instrument because it only changes the potential lost revenue threshold within an existing policy and does not create new obligations for taxpayers. A technical consultation is planned for the wider changes to section 94 of the Finance Act 2009 referred to in paragraph 5.2.

8. Applicable Guidance

8.1 Guidance factsheet CC/FS13[1] about the Publishing Details of Deliberate Defaulters policy that HMRC sends to subjects of tax compliance checks will be updated ahead of this instrument coming into force to reflect the new £50,000 threshold for publication. Tax compliance checks can sometimes take a number of months or years to finalise, so some subjects of checks may already have received HMRC guidance which refers to the former £25,000 threshold. When this statutory instrument comes into force, HMRC will not publish details of tax defaulters whose deliberate non-compliance involved potential lost revenue below £50,000. The general guidance about the Publishing Details of Deliberate Defaulters policy on GOV.UK[2] will also be updated before the instrument comes into force.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A Tax Information and Impact Note covering this instrument and the related Finance Bill changes is available on the GOV.UK website[3]. The instrument increases the potential lost revenue threshold for publication from £25,000 to £50,000, which will reduce the number of individuals and businesses whose details may be published by HMRC. It does not impose any new administrative requirements on individuals or businesses and has no impact on compliant taxpayers. It will only affect individuals and businesses liable to penalties for deliberate non-compliance in connection with potential lost revenue over £50,000, where the other legislative conditions are also met.

Impact on businesses, charities and voluntary bodies

9.2 There is no significant impact on businesses, charities or voluntary bodies because this instrument does not impose any new administrative requirements and will reduce the number of businesses whose details may be published by increasing the threshold for publication from £25,000 to £50,000. It will only affect businesses liable to penalties for deliberate non-compliance in connection with potential lost revenue over £50,000, where the other legislative conditions are also met.

9.3 There is no significant impact on small or micro businesses for the same reasons referred to in 9.2.

9.4 There is no significant impact on the public sector for the same reasons referred to in 9.2.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The measure will be kept under review through operational monitoring of publication cases, stakeholder feedback, communication with affected taxpayer groups and policy review.

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[1] Guidance Factsheet CC/FS13: https://www.gov.uk/government/publications/compliance-checks-publishing-details-of-deliberate-defaulters-ccfs13/compliance-checks-publishing-details-of-deliberate-defaulters-ccfs13

[2] Details of Deliberate Tax Defaulters: https://www.gov.uk/government/publications/publishing-details-of-deliberate-tax-defaulters-pddd

[3] Tax Information and Impact Note: https://www.gov.uk/government/publications/publishing-details-of-deliberate-defaulters-reform

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 Rt Hon James Murray MP, Financial Secretary to the Treasury, has made the following statement regarding Human Rights:

"In my view the provisions of the Finance Act 2009 (Publishing Details of Deliberate Tax Defaulters: Increase to Threshold) Order 2026 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").