EXPLANATORY MEMORANDUM TO

THE REPORTING OF SAVINGS INCOME AND INTEREST PAYMENTS (DATA-GATHERING) REGULATIONS 2012

2012 No. 756

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs (HMRC) covering regulations made by HMRC and HM Treasury and is laid before the House of Commons by Command of Her Majesty.

2. Purpose of the instrument

These regulations revoke regulations which are replaced from 1 April 2012. They also make amendments to a second statutory instrument in order to correct two minor errors and make a consequential amendment.

3. Matters of special interest to the Select Committee on Statutory Instruments

None.

4. Legislative Context

4.1 Schedule 23 to the Finance Act 2011 ("Schedule 23") contains a modernised power to require persons to provide information about taxpayers. The Data-gathering Powers (Relevant Data) Regulations 2012 ("the Data-gathering regulations") will set out the data that is specified under Schedule 23 but that Schedule does not provide the power to make consequential amendments or revocations.

4.2 The content of the regulations specified in Regulation 3 is now to be found in the Data-gathering regulations so they are revoked by these Regulations. The powers to make such revocations are themselves revoked by Schedule 23 with effect from 1 April 2012, so regulation 3 will come into effect on 31 March 2012.

4.3 Regulation 2 makes minor amendments to the Reporting of Savings Income Information Regulations 2003. They will come into effect on 1 April 2012.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- ***What is being done and why***

7.1 The revocations being made are to remove the redundant statutory instruments from the statute book.

7.2 The consequential amendment and corrections are being made to remove extant references to repealed legislation and to correct two minor errors. They have no practical impact.

- ***Consolidation***

7.3 Not applicable.

8. Consultation outcome

8.1 HMRC undertook consultation on the Data-gathering regulations, including the revocations.

8.2 The draft Data-gathering regulations were published on 22 June 2011 together with a commentary. No comments were received.

8.3 These corrections are so minor that consultation is not appropriate.

9. Guidance

No guidance is required in respect of these changes.

10. Impact

10.1 There is no impact on business, charities, voluntary bodies or on the public sector.

10.2 A Tax information and Impact Note has not been prepared for this instrument as it contains no substantive change in tax policy. A Tax Information and Impact Note covering the changes made by the Data-gathering regulations is available on the HMRC website http://www.hmrc.gov.uk/budget-updates/autumn-tax/tiin910.pdf

11. Regulating small business

The legislation applies to small business, but has no practical effect.

12. Monitoring & review

No monitoring or review will be required given the nature of the changes.

13. Contact

Madeleine O’Brien at HMRC (Tel: 0207 147 2466) or email: powers.review-of-hmrc@hmrc.gsi.gov.uk can answer any queries regarding the instrument on behalf of HM Treasury and HMRC.