



FINANCE (NO. 2) BILL 2025-26 CLAUSES 163 – 173, PROMOTER ACTION NOTICES

Issued 2 February 2026

Briefing for MPs on the **Finance Bill** by ICAEW's Tax Faculty.

Internationally recognised as a source of expertise, ICAEW's Tax Faculty is a leading authority on taxation and is the voice of tax for ICAEW. It is responsible for making all submissions to the tax authorities on behalf of ICAEW, drawing upon the knowledge and experience of ICAEW's membership. The Tax Faculty's work is directly supported by over 130 active members, many of them well-known names in the tax world, who work across the complete spectrum of tax, both in practice and in business. ICAEW Tax Faculty's Ten Tenets for a Better Tax System, by which we benchmark the tax system and changes to it, are summarised in Appendix 1.

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EXECUTIVE SUMMARY

1. ICAEW supports efforts to challenge the 20–30 individuals and organisations involved in promoting aggressive tax avoidance arrangements.
2. Disrupting the supply of services that help promoters to reach taxpayers is an important step in tackling the problem. However, ICAEW envisages that most of the businesses potentially subject to a promoter action notice (PAN) will not be knowingly associated with the promoter facilitating tax avoidance.
3. Workable safeguards and appeal processes must be available to recipients of PANs, but ICAEW is concerned that the confidentiality restrictions could prevent this.

THE MEASURE

4. A PAN will require businesses to stop providing goods or services to promoters of tax avoidance where those goods or services are used in the promotion of avoidance and the promoter is in breach of the statutory prohibition of the promotion of certain tax avoidance arrangements or is subject to a stop notice.

OUR CONCERNS AND OUR RECOMMENDATIONS

5. Clause 167 provides the recipient of a PAN with the right to appeal against the PAN. Clauses 168, 169 and 170, respectively, permit the recipient of a penalty against failure to comply with a PAN the right to make representations against the penalty, the subsequent publishing of their details to HMRC and the reporting to regulators.
6. The recipient of the notice may need legal or tax advice in order to make this appeal and to make representations. However, the confidentiality restrictions in clause 166 are such that the recipient cannot disclose the notice to the professional who is to provide that legal or tax advice on making an appeal or representations. Instead, it requires the recipient to obtain HMRC's permission to disclose it.
7. ICAEW is concerned that clause 166 effectively provides HMRC with a route to block the recipient of a PAN from appealing or making representations. This is particularly because appeals and representations are subject to 30-day deadlines and it may be challenging to obtain HMRC's permission, obtain advice, and lodge an appeal or representation within that timeframe.
8. ICAEW considers that the legislation should be amended by inserting "*and for the purposes of seeking and obtaining advice on appealing or making representations under sections 167 to 170 inclusive*" at the end of clause 166(2)(a).

FURTHER INFORMATION

As part of ICAEW's Royal Charter, we have a duty to inform policy in the public interest.

APPENDIX 1

ICAEW TAX FACULTY'S TEN TENETS FOR A BETTER TAX SYSTEM

The tax system should be:

1. Statutory: tax legislation should be enacted by statute and subject to proper democratic scrutiny by Parliament.
2. Certain: in virtually all circumstances the application of the tax rules should be certain. It should not normally be necessary for anyone to resort to the courts in order to resolve how the rules operate in relation to his or her tax affairs.
3. Simple: the tax rules should aim to be simple, understandable and clear in their objectives.
4. Easy to collect and to calculate: a person's tax liability should be easy to calculate and straightforward and cheap to collect.
5. Properly targeted: when anti-avoidance legislation is passed, due regard should be had to maintaining the simplicity and certainty of the tax system by targeting it to close specific loopholes.
6. Constant: Changes to the underlying rules should be kept to a minimum. There should be a justifiable economic and/or social basis for any change to the tax rules and this justification should be made public and the underlying policy made clear.
7. Subject to proper consultation: other than in exceptional circumstances, the Government should allow adequate time for both the drafting of tax legislation and full consultation on it.
8. Regularly reviewed: the tax rules should be subject to a regular public review to determine their continuing relevance and whether their original justification has been realised. If a tax rule is no longer relevant, then it should be repealed.
9. Fair and reasonable: the revenue authorities have a duty to exercise their powers reasonably. There should be a right of appeal to an independent tribunal against all their decisions.
10. Competitive: tax rules and rates should be framed so as to encourage investment, capital and trade in and with the UK.

These are explained in more detail in our discussion document published in October 1999 as [TAXGUIDE 4/99](#).