HMRC and FCA

Facts:

1. HMRC is the sole statutory authority for collecting statutory tax.
2. Council Tax is a statutory tax.

Note: tax must be authorised by a specific statute to be valid, and if a tax cannot be traced to a specific statute or legislative act, it is invalid and unenforceable.

Regulated Activity

Taxation is not currently a fully regulated activity in the United Kingdom in the same way as legal or financial services, but it is ***"partially regulated"***.

- Providing a general tax advice service is ***not*** regulated.
- Collection of ***tax debts*** are regulated and supervised by the FCA.

Evoke Statute

The underlying contract that evokes statutes is typically a legally binding agreement, which can be expressed or implied, such as a contract for the sale of goods, a lease, employment agreement, or registration, which falls within the scope of specific legislation.

Note: any assumed or implied ***"contract"*** made against you must be corrected, followed by a demand to see the written agreement.

Statutes are evoked to regulate, enforce, or override terms in these contracts to ensure compliance with government policy within the legal system.

Statutory Tax collection

Third-party debt collection agencies hired by ***HMRC*** are required to be authorised and regulated by the ***Financial Conduct Authority*** (FCA).

All debt collection agencies working on behalf of ***HMRC*** must adhere to strict regulatory standards, which includes holding a valid consumer credit licence from the ***FCA***.

Key Requirements and Qualifications:

- ***FCA Authorisation:*** The agency must be registered on the Financial Services Register.
- ***Approved Status:*** HMRC only works with a specific panel of officially approved debt collection agencies (currently eight) that are vetted to ensure they follow HMRC's procedures.
- ***Trade Body Membership:*** These agencies are often members of professional bodies, such as the ***Credit Services Association*** (CSA).
- ***Data Protection:*** They must comply with the ***Data Protection Act*** (DPA) and ***GDPR*** regulations when handling personal tax information.

<u>Important Limitations of HMRC Debt Collectors:</u>

- ***No Enforcement Powers:*** Unlike bailiffs or court enforcement agents, these debt collection agencies are desk-based and cannot visit homes or workplaces, seize assets, or force entry.
- ***Function:*** Their role is limited to contacting individuals by phone, letter, or text to request payment or arrange a time-to-pay agreement.

If an agency claims to be acting for HMRC, taxpayers can verify their legitimacy by checking the official, approved list on the GOV.UK website.

Link: https://www.gov.uk/government/collections/check-a-list-of-genuine-hmrc-contacts

<u>Note:</u> Councils are ***not*** FCA regulated.

<u>FCA Part 4A Permission</u>

A FCA Part 4A permission is the authorisation from the ***Financial Conduct Authority*** (FCA) under the ***Financial Services and Markets Act 2000*** that a firm needs to legally carry out regulated financial activities in the UK.

This permission is not a one-size-fits-all document; it is tailored to a firm's specific activities, including the types of investments it can handle and any limitations.

To get a Part 4A permission, a firm must apply to the FCA and show it meets the threshold conditions.

Link: https://www.legislation.gov.uk/ukpga/2000/8/part/4A

A third party ***cannot*** claim to have its own ***Part 4A permission*** simply because it is ***acting on behalf of*** an authorised firm.

In the UK, regulatory framework, permissions are entity-specific, which means if a third party makes such a claim without being directly authorised, they risk committing a criminal offence.

With this information the following can now be ascertained:

1. Council tax is a statutory tax regulated by the FCA.
2. Proof that ***affirmation of statute*** is required ***before*** the statute can be used.
3. Councils ***cannot*** act on a statutory tax ***without*** said proof of ***statute ratification***.
4. Councils ***cannot*** send out a ***statutory demand*** without proof of ***statute ratification***.
5. To collect a ***statutory tax*** the body corporate or entity must have ***FCA Part 4A*** permission.
6. Councils are ***not*** FCA regulated.
7. Debt collectors working on behalf of the council are ***not*** FCA regulated.
8. Solicitors attempting ***"court orders"*** are ***not*** FCA regulated and ***cannot*** collect a ***statutory tax***.
9. Debt collectors and solicitors acting as ***"agent" cannot*** gain ***FCA Part 4A*** permission from their client.
10. Debt collectors and solicitors ***not*** authorised by HMRC ***cannot*** collect ***tax debts***.
11. Without proof that the statute was accepted by the alleged debtor, any act of attempting to collect an alleged debt becomes a criminal activity.

Note: ratification means the action of signing or giving formal consent to a treaty, ***contract***, or agreement, making it officially valid.

This means for council tax to apply to you requires your acceptance and signing of a contract to ***ratify*** and ***affirm*** the statute, whereby the debt is now created and can be collected.

No contract needed

AI response to this direct question: ***"if someone says you have to pay them and they do not need a contract, is that a crime?"***

Answer:

Demanding payment for unasked-for services without a contract is not automatically a crime, but it is often illegal, legally unenforceable, or fraudulent behaviour.

If someone performs unsolicited work, like cleaning, repairs, or unwanted services, you are not legally obligated to pay, and coercing payment can constitute extortion or fraud.

Key Considerations:

- ***Unsolicited Services:*** If you did not ask for a service and it was provided, you have no obligation to pay.
- ***Fraud/Extortion:*** If the person uses threats or deception to get money, it may be a criminal matter.
- ***Verbal/Implied Contracts:*** A contract does not have to be written down to be legally binding; it can be implied by actions. However, if there is no agreement at all, they cannot demand payment.
- ***Actionable Advice:*** If you are being threatened for payment for a service you did not request, report the incident to the police or appropriate local authorities.

If this is related to a dispute over services actually provided, it is likely a civil matter rather than a criminal one.