

# **TAX COLLECTION AND MANAGEMENT (WALES) ACT 2016**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 4 – Investigatory Powers of WRA**

##### ***Section 89 – Power to require information and documents about persons whose identity is not known***

91. This section provides that, where the WRA wants to check the tax position of a person or class of persons whose identity it does not know, the WRA may give a notice to a person (an “unidentified third party notice”) requiring them to provide information or produce documents. This might occur where WRA has enough information to have grounds for believing a person is liable to tax (for example, WRA knows that a land transaction took place) but it does not yet know the identity of the person involved.
92. Notices issued under this section must have been approved by the tribunal beforehand, which can only do so if the conditions in subsection (1)(a) to (c) are met (which are the same as the basic requirements to be met for taxpayer notices and third party notices), and it is satisfied that the WRA is not able to obtain the information or documents from another source. The tribunal must also be satisfied that there are reasonable grounds to believe that the person or persons who are the subject of the notice have failed (or may fail) to comply with the law related to a devolved tax and this has led (or will lead) to serious prejudice to the assessment or collection of devolved tax (in the example given above, WRA might have grounds to believe that the person involved in the land transaction is not going to come forward and make a tax return). As with section 88, the tribunal may make such modifications of the notice as it thinks appropriate.