

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

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 5 - Penalties**

##### ***Section 139-141 – Penalties under Chapter 3: general***

168. **Section 139** provides for WRA to be able to reduce a penalty under this Chapter. This applies only where a person discloses information to WRA about an inaccuracy, a supply of false information, the withholding of information, or a failure to disclose an under-assessment which is relevant to a person's liability to a devolved tax. Any reductions applied may reflect whether or not the disclosure was unprompted (where the person has no reason to believe that WRA is or is about to discover the information) and also the quality (timing, nature and extent) of the information disclosed.
169. **Section 140** provides that WRA may in special circumstances reduce a penalty that has been applied due to sections 129, 132 or 133. The penalty can be suspended, remitted entirely or reduced following WRA agreeing a compromise with the taxpayer in relation to the penalty proceedings. The special circumstances under which the penalty may be reduced cannot be related to the person's ability to pay or by the fact that a potential loss of revenue from one person is balanced by a potential over-payment by another person.
170. **Section 141** provides that where a person becomes liable for a penalty due to sections 129, 132 or 133, WRA must assess the penalty, notify the person that a penalty has been incurred, and state in the notice the period or transaction against which the penalty is assessed. Subsection (3) and (4) sets out the time limits for the assessment of penalties under sections 129, 132 or 133.