

Status: Point in time view as at 11/07/2023.

Changes to legislation: Finance Act 2016, Cross Heading: Amendments to Schedule 24 to the Finance Act 2007 (c. 11) is up to date with all changes known to be in force on or before 14 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 21

PENALTIES RELATING TO OFFSHORE MATTERS AND OFFSHORE TRANSFERS

Amendments to Schedule 24 to the Finance Act 2007 (c. 11)

1 Schedule 24 to FA 2007 (penalties for errors) is amended as follows.

Commencement Information

II Sch. 21 para. 1 in force at 1.4.2017 with effect in accordance with reg. 2 by S.I. 2017/259, reg. 2

- 2 (1) Paragraph 9 (reductions for disclosure) is amended as follows.
- (2) For sub-paragraph (A1) substitute—
- “(A1) Paragraph 10 provides for reductions in penalties—
- (a) under paragraph 1 where a person discloses an inaccuracy that involves a domestic matter,
 - (b) under paragraph 1A where a person discloses a supply of false information or withholding of information, and
 - (c) under paragraph 2 where a person discloses a failure to disclose an under-assessment.
- (A2) Paragraph 10A provides for reductions in penalties under paragraph 1 where a person discloses an inaccuracy that involves an offshore matter or an offshore transfer.
- (A3) Sub-paragraph (1) applies where a person discloses—
- (a) an inaccuracy that involves a domestic matter,
 - (b) a careless inaccuracy that involves an offshore matter,
 - (c) a supply of false information or withholding of information, or
 - (d) a failure to disclose an under-assessment.”

(3) In sub-paragraph (1), in the words before paragraph (a), for the words from “an inaccuracy” to “under-assessment” substitute “ the matter ”.

(4) After sub-paragraph (1) insert—

“(1A) Sub-paragraph (1B) applies where a person discloses—

 - (a) a deliberate inaccuracy (whether concealed or not) that involves an offshore matter, or
 - (b) an inaccuracy that involves an offshore transfer.

(1B) A person discloses the inaccuracy by—

 - (a) telling HMRC about it,

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- (b) giving HMRC reasonable help in quantifying the inaccuracy,
 - (c) allowing HMRC access to records for the purpose of ensuring that the inaccuracy is fully corrected, and
 - (d) providing HMRC with additional information.
- (1C) The Treasury must make regulations setting out what is meant by “additional information” for the purposes of sub-paragraph (1B)(d).
- (1D) Regulations under sub-paragraph (1C) are to be made by statutory instrument.
- (1E) An instrument containing regulations under sub-paragraph (1C) is subject to annulment in pursuance of a resolution of the House of Commons.”
- (5) At the end insert—
- “(4) Paragraph 4A(4) to (5) applies to determine whether an inaccuracy involves an offshore matter, an offshore transfer or a domestic matter for the purposes of this paragraph.”

Commencement Information

- I2** Sch. 21 para. 2(1)-(3)(5) in force at 1.4.2017 with effect in accordance with reg. 2 by S.I. 2017/259, reg. 2
- I3** Sch. 21 para. 2(4) in force at 8.3.2017 for specified purposes by S.I. 2017/259, reg. 3
- I4** Sch. 21 para. 2(4) in force at 1.4.2017 in so far as not already in force and with effect in accordance with reg. 2 of the commencing S.I. by S.I. 2017/259, reg. 2

- 3 In paragraph 10 (amount of reduction for disclosure), for the Table in sub-paragraph (2) substitute—

<i>“Standard %</i>	<i>Minimum % for prompted disclosure</i>	<i>Minimum % for unprompted disclosure</i>
30%	15%	0%
70%	35%	20%
100%	50%	30%”

Commencement Information

- I5** Sch. 21 para. 3 in force at 1.4.2017 with effect in accordance with reg. 2 by S.I. 2017/259, reg. 2

- 4 After paragraph 10 insert—
- “10A(1) If a person who would otherwise be liable to a penalty of a percentage shown in column 1 of the Table (a “standard percentage”) has made a disclosure, HMRC must reduce the standard percentage to one that reflects the quality of the disclosure.
- (2) But the standard percentage may not be reduced to a percentage that is below the minimum shown for it—
- (a) in the case of a prompted disclosure, in column 2 of the Table, and
 - (b) in the case of an unprompted disclosure, in column 3 of the Table.

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Standard %	Minimum % for prompted disclosure	Minimum % for unprompted disclosure
30%	15%	0%
37.5%	18.75%	0%
45%	22.5%	0%
60%	30%	0%
70%	45%	30%
87.5%	53.75%	35%
100%	60%	40%
105%	62.5%	40%
125%	72.5%	50%
140%	80%	50%
150%	85%	55%
200%	110%	70%”

Commencement Information

I6 [Sch. 21 para. 4](#) in force at 1.4.2017 with effect in accordance with reg. 2 by [S.I. 2017/259](#), [reg. 2](#)

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