

SCHEDULES

SCHEDULE 25

PENALTIES FOR DELIBERATELY WITHHOLDING INFORMATION

PART 2

LIABILITY TO A PENALTY

Reductions for disclosure

- 7 (1) Paragraph 8 provides for reductions in the penalty under this Schedule where the person discloses information which has been withheld by a failure to make a return (“relevant information”).
- (2) A person discloses relevant information that involves a domestic matter by—
- telling HMRC about it,
 - giving HMRC reasonable help in quantifying any tax unpaid by reason of its having been withheld, and
 - allowing HMRC access to records for the purpose of checking how much tax is so unpaid.
- (3) A person discloses relevant information that involves an offshore matter or an offshore transfer by—
- telling HMRC about it,
 - giving HMRC reasonable help in quantifying any tax unpaid by reason of its having been withheld,
 - allowing HMRC access to records for the purpose of checking how much tax is so unpaid, and
 - providing HMRC with additional information.
- (4) The Treasury must make regulations setting out what is meant by “additional information” for the purposes of sub-paragraph (3)(d).
- (5) Disclosure of relevant information—
- is “unprompted” if made at a time when the person has no reason to believe that HMRC have discovered or are about to discover the relevant information, and
 - otherwise, is “prompted”.
- (6) In relation to disclosure “quality” includes timing, nature and extent.
- (7) Paragraph 4(4) to (6) applies to determine whether relevant information involves an offshore matter, an offshore transfer or a domestic matter.