



# Finance Act 2022

## 2022 CHAPTER 3

### PART 6

#### MISCELLANEOUS AND FINAL

##### *Discovery assessments etc*

#### **97 Discovery assessments for unassessed income tax or capital gains tax**

- (1) In section 29 of TMA 1970 (assessment where loss of tax discovered), in subsection (1), for paragraph (a) substitute—
  - “(a) that an amount of income tax or capital gains tax ought to have been assessed but has not been assessed.”.
- (2) In the Registered Pension Schemes (Accounting and Assessment) Regulations 2005 ([S.I. 2005/3454](#)), omit regulation 9 (which modifies section 29(1)(a) of TMA 1970).
- (3) The amendments made by this section—
  - (a) have effect in relation to the tax year 2021-22 and subsequent tax years, and
  - (b) also have effect in relation to the tax year 2020-21 and earlier tax years but only if the discovery assessment is a relevant protected assessment (see subsections (4) to (6)).
- (4) A discovery assessment is a relevant protected assessment if it is in respect of an amount of tax chargeable under—
  - (a) Chapter 8 of Part 10 of ITEPA 2003 (high income child benefit charge),
  - (b) section 424 of ITA 2007 (gift aid: charge to tax),
  - (c) section 205 or 206 of FA 2004 (pensions) but only where the section is applied by Schedule 34 to that Act, or
  - (d) section 208, 209, 214, 227 or 244A of FA 2004 (pensions), including where the section is applied by that Schedule.
- (5) But a discovery assessment is not a relevant protected assessment if it is subject to an appeal notice of which was given to HMRC on or before 30 June 2021 where—

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*Status: This is the original version (as it was originally enacted).*

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- (a) an issue in the appeal is that the assessment is invalid as a result of its not relating to the discovery of income which ought to have been assessed to income tax but which had not been so assessed, and
  - (b) the issue was raised on or before 30 June 2021 (whether by the appellant or in a decision given by the tribunal).
- (6) In addition, a discovery assessment is not a relevant protected assessment if—
- (a) it is subject to an appeal notice of which was given to HMRC on or before 30 June 2021,
  - (b) the appeal is subject to a temporary pause which occurred before 27 October 2021, and
  - (c) it is reasonable to conclude that the temporary pausing of the appeal occurred (wholly or partly) on the basis that an issue of a kind mentioned in subsection (5)(a) is, or might be, relevant to the determination of the appeal.
- (7) For the purposes of this section the cases where notice of an appeal was given to HMRC on or before 30 June 2021 include a case where—
- (a) notice of an appeal is given after that date as a result of section 49 of TMA 1970, but
  - (b) a request in writing was made to HMRC on or before that date seeking HMRC's agreement to the notice being given after the relevant time limit (within the meaning of that section).
- (8) For the purposes of this section an appeal is subject to a temporary pause which occurred before 27 October 2021 if—
- (a) the appeal has been stayed by the tribunal before that date,
  - (b) the parties to the appeal have agreed before that date to stay the appeal, or
  - (c) HMRC have notified the appellant (“A”) before that date that they are suspending work on the appeal pending the determination of another appeal the details of which have been notified to A.
- (9) In this section—
- “discovery assessment” means an assessment under section 29(1)(a) of TMA 1970, and
  - “HMRC” means Her Majesty’s Revenue and Customs, and
  - “notified” means notified in writing.

## **98 Notification of liability to income tax and capital gains tax**

- (1) Section 7 of TMA 1970 (notice of liability to income tax and capital gains tax) is amended in accordance with subsections (2) and (3).
- (2) In subsection (2A), in the words after paragraph (b)—
  - (a) after “chargeable to” insert “an amount of”;
  - (b) omit “on any income or gain”.
- (3) In subsection (3), in paragraph (c), for “a high income child benefit charge” substitute “an amount of tax under any provision listed in relation to the person in section 30 of ITA 2007 (additional tax)”.

- (4) In Schedule 16 to FA 2020 (taxation of coronavirus support payments), in paragraph 12(4) (notification of liability: modifications to section 7 of TMA 1970), for “after “child benefit charge”” substitute “at the end”.
- (5) The amendments made by this section have effect in relation to the tax year 2021-22 and subsequent tax years.

## **99 Calculation of income tax liability for certain charges relating to pensions**

- (1) In section 30(1) of ITA 2007 (Step 7: additional tax)—
  - (a) in the entry for section 208(2)(a), for “section 208(2)(a)” substitute “section 208”,
  - (b) in the entry for section 209(3)(a), for “section 209(3)(a)” substitute “section 209”, and
  - (c) after the entry for section 227 of FA 2004 insert—
    - “section 244A of FA 2004 (pension schemes: the overseas transfer charge),”.
- (2) The amendments made by this section have effect in relation to the tax year 2021-22 and subsequent tax years.