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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provisions implementing the OECD (2018), Model Mandatory Disclosure Rules for CRS Avoidance Arrangements and Opaque Offshore Structures, OECD, Paris. They impose obligations on persons, known as intermediaries or reportable taxpayers, to report information to HM Revenue and Customs (“HMRC”) about certain types of arrangements, known as CRS avoidance arrangements and opaque offshore structures.

Part 1 contains introductory provisions. Regulation 1 provides for citation and commencement. Regulation 2 is an interpretation provision.

Part 2 sets out the reporting obligations and supplementary provisions. Regulation 3 requires intermediaries to make returns. Regulation 4 makes provision as to the deadline for returns by intermediaries. Regulation 5 disapplies the requirement to make a return in relation to privileged information. Regulation 6 disapplies the requirement to make a return in relation to information that has already been reported to HMRC, or to the tax authority of a partner jurisdiction in certain circumstances. Regulation 7 requires reportable taxpayers to make returns in certain circumstances. Regulation 8 requires certain intermediaries to make returns about CRS avoidance arrangements entered into on or after 28th June 2018 and before 28th March 2023. Regulation 9 requires intermediaries and relevant taxpayers who have made a return to notify other intermediaries and relevant taxpayers. Regulation 10 makes provision requiring the use of an electronic return system. Regulation 11 permits an officer of Revenue and Customs to request information to determine whether obligations under these Regulations have been complied with. Regulation 12 provides that employees are not subject to the reporting requirements.

Part 3 makes provision for penalties for breaches of obligations under these Regulations. Regulation 13 makes provision for the penalties. Regulations 14 and 16 provide for penalties to be determined by HMRC. Regulation 15 provides for penalties to be determined by the First-tier Tribunal. Regulation 17 provides time limits within which proceedings for determination of a penalty may be commenced, or a penalty determined by HMRC, and provides that penalties are to be treated as tax charged in an assessment and due and payable. Regulation 18 provides for appeals against penalty determinations by HMRC. Regulation 19 provides for cases where HMRC may reduce a penalty. Regulation 20 provides that no liability to penalties arises where a person has a reasonable excuse for failing to comply with an obligation under the Regulations.

Part 4 (regulation 21) revokes the International Tax Enforcement (Disclosable Arrangements) Regulations 2020 (S.I. 2020/25), the International Tax Enforcement (Coronavirus) (Amendment) Regulations 2020 (S.I. 2020/713) and the International Tax Enforcement (Amendment) (No. 2) (EU Exit) Regulations 2020 (S.I. 2020/1649). These instruments provided a reporting scheme for cross-border arrangements which is being replaced by these Regulations.

A Tax Information and Impact Note covering this instrument will be published at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.