



Tax Collection and Management (Wales) Act 2016

2016 anaw 6

PART 5

PENALTIES

CHAPTER 3

PENALTIES FOR INACCURACIES

Penalties under Chapter 3: general

139 Reduction in penalty under Chapter 3 for disclosure

- (1) WRA may reduce a penalty payable under this Chapter where a person makes a qualifying disclosure.
- (2) A “qualifying disclosure” means disclosure of—
 - (a) an inaccuracy which is relevant to a person's liability to a devolved tax,
 - (b) a supply of false information, or withholding of information, which is relevant to a person's liability to a devolved tax,^{F1}...
 - (c) a failure to disclose an under-assessment in respect of a devolved tax.
 - [^{F2}(d) an inaccuracy which is relevant to a person's entitlement to a tax credit or liability to pay an amount in respect of a tax credit,
 - (e) a supply of false information, or withholding of information, which is relevant to a person's entitlement to a tax credit or liability to pay an amount in respect of a tax credit, or
 - (f) a failure to disclose an under-assessment in respect of a person's liability to pay an amount in respect of a tax credit.]
- (3) A person makes a qualifying disclosure by—

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- (a) telling WRA about it,
 - (b) giving WRA reasonable help in quantifying—
 - (i) the inaccuracy,
 - (ii) the inaccuracy attributable to the supply of false information or withholding of information, or
 - (iii) the under-assessment, and
 - (c) allowing WRA access to records for the purpose of ensuring that—
 - (i) the inaccuracy,
 - (ii) the inaccuracy attributable to the supply of false information or withholding of information, or
 - (iii) the under-assessment,
 is fully corrected.
- (4) In reducing a penalty under this section, WRA may take account of—
- (a) whether the disclosure was prompted or unprompted, and
 - (b) the quality of the disclosure.
- (5) Disclosure of relevant information—
- (a) is “unprompted” if made at a time when the person making the disclosure has no reason to believe that WRA has discovered or is about to discover the inaccuracy, the supply of false information or withholding of information, or the under-assessment, and
 - (b) otherwise, is “prompted”.
- (6) “Quality”, in relation to disclosure, includes timing, nature and extent.

Annotations:

Amendments (Textual)

- F1** Word in s. 139(2) omitted (1.4.2018) by virtue of [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), [Sch. para. 34\(a\)](#)
- F2** S. 139(2)(d)-(f) inserted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), [Sch. para. 34\(b\)](#)

Commencement Information

- II** S. 139 in force at 1.4.2018 by [S.I. 2018/33](#), [art. 3](#)

140 Special reduction in penalty under Chapter 3

- (1) WRA may reduce a penalty under this Chapter if it thinks it right to do so because of special circumstances.
- (2) In subsection (1), “special circumstances” does not include—
- (a) ability to pay, or
 - (b) the fact that a potential loss of revenue from one person is balanced by a potential over-payment by another.
- (3) In subsection (1), the reference to reducing a penalty includes a reference to—
- (a) remitting a penalty entirely,
 - (b) suspending a penalty, and

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(c) agreeing a compromise in relation to proceedings for a penalty.

(4) In this section, references to a penalty include references to any interest in relation to a penalty.

Annotations:

Commencement Information

I2 S. 140 in force at 1.4.2018 by [S.I. 2018/33](#), **art. 3**

141 Assessment of penalties under Chapter 3

- (1) Where a person becomes liable to a penalty under this Chapter, WRA must—
- assess the penalty,
 - issue a notice to the person of the penalty assessed, and
 - state in the notice the period^{F3}, transaction or claim for tax credit] in relation to which the penalty has been assessed.
- (2) An assessment of a penalty under this Chapter may be combined with an assessment to devolved tax.
- (3) An assessment of a penalty under section 129 or 132 must be made before the end of the period of 12 months beginning with—
- the end of the appeal period for the decision correcting the inaccuracy, or
 - if there is no assessment to the tax concerned as a result of that decision, the day on which the inaccuracy is corrected.
- (4) An assessment of a penalty under section 133 must be made before the end of the period of 12 months beginning with—
- the end of the appeal period for the assessment of tax which corrected the understatement, or
 - if there is no assessment correcting the understatement, the day on which the understatement is corrected.
- (5) In subsections (3) and (4), “appeal period” means^{F4}...—
- if no appeal is made, the period during which an appeal could be made, and
 - if an appeal is made, the period ending with its final determination or withdrawal.
- (6) Subject to subsections (3) and (4), a supplementary assessment may be made in respect of a penalty under this Chapter if an earlier assessment operated by reference to an underestimate of the potential lost revenue.

Annotations:

Amendments (Textual)

F3 Words in s. 141(1)(c) substituted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 35**

F4 Words in s. 141(5) omitted (1.4.2018) by virtue of [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 51**; S.I. 2018/34, art. 3

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Commencement Information

I3 S. 141 in force at 1.4.2018 by [S.I. 2018/33](#), **art. 3**

Changes to legislation:

There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalties under Chapter 3: general.