



Tax Collection and Management (Wales) Act 2016

2016 anaw 6

PART 5

PENALTIES

CHAPTER 4

PENALTIES RELATING TO RECORD-KEEPING AND REIMBURSEMENT ARRANGEMENTS

Penalty for failure to keep and preserve records in connection with tax returns or claims

143 Penalty for failure to keep and preserve records

- (1) A person who fails to comply with section 38 or 69 is liable to a penalty not exceeding £3,000.
- (2) But no penalty is incurred if WRA is satisfied that any facts that it reasonably requires to be proved, and which would have been proved by the records, are proved by other documentary evidence provided to it.

144 Reasonable excuse for failure to keep and preserve records

- (1) If a person who fails to comply with section 38 or 69 satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for the failure, there is no liability to a penalty under section 143 in relation to the failure.
- (2) For the purposes of subsection (1)—
 - (a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person's control;

- (b) where the person relies on another person to do anything, that is not a reasonable excuse unless the first person took reasonable care to avoid the failure;
- (c) where the person had a reasonable excuse for the failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

145 Assessment of penalties under section 143

- (1) Where a person becomes liable to a penalty under section 143, WRA must—
 - (a) assess the penalty, and
 - (b) issue notice to the person of the penalty assessed.
- (2) An assessment of a penalty under section 143 must be made within the period of 12 months beginning with the day on which WRA first believed the person to have failed to comply with section 38 or 69.