



# Taxes Management Act 1970

## 1970 CHAPTER 9

### PART II

#### RETURNS OF INCOME AND GAINS

##### *[<sup>F1</sup>Records*

##### **[<sup>F1</sup>12B Records to be kept for purposes of returns.**

- (1) Any person who may be required by a notice under section 8, 8A <sup>F2</sup>... or 12AA of this Act <sup>F3</sup>... to make and deliver a return for a year of assessment or other period shall—
- (a) keep all such records as may be requisite for the purpose of enabling him to make and deliver a correct and complete return for the year or period; and
  - [<sup>F4</sup>(b) preserve those records until the end of the relevant day, that is to say, the day mentioned in subsection (2) below or, where a return is required by a notice given on or before that day, whichever of that day and the following is the latest, namely—
    - (i) where enquiries into the return <sup>F5</sup>... are made by an officer of the Board, the day on which, by virtue of section [<sup>F6</sup>28A(1B) or 28B(1B)] of this Act, those enquiries are <sup>F7</sup>... completed; and
    - (ii) where no enquiries into the return <sup>F8</sup>... are so made, the day on which such an officer no longer has power to make such enquiries.]
- (2) The day referred to in subsection (1) above is—
- (a) in the case of a person carrying on a trade, profession or business alone or in partnership or a company, the fifth anniversary of the 31st January next following the year of assessment or (as the case may be) the sixth anniversary of the end of the period;
  - (b) [<sup>F9</sup>otherwise], the first anniversary of the 31st January next following the year of assessment <sup>F10</sup>...
- [<sup>F11</sup>or (in either case) such earlier day as may be specified in writing by the Commissioners for Her Majesty's Revenue and Customs (and different days may be specified for different cases).]

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- [ Any person who—
- <sup>F12</sup>(2A) (a) is required, by such a notice as is mentioned in subsection (1) above given at any time after the end of the day mentioned in subsection (2) above, to make and deliver a return for a year of assessment or other period; and
- (b) has in his possession at that time any records which may be requisite for the purpose of enabling him to make and deliver a correct and complete return for the year or period,
- shall preserve those records until the end of the relevant day, that is to say, the day which, if the notice had been given on or before the day mentioned in subsection (2) above, would have been the relevant day for the purposes of subsection (1) above.]
- (3) In the case of a person carrying on a trade, profession or business alone or in partnership—
- (a) the records required to be kept and preserved under subsection (1) [<sup>F13</sup>or (2A)] above shall include records of the following, namely—
- (i) all amounts received and expended in the course of the trade, profession or business and the matters in respect of which the receipts and expenditure take place, and
- (ii) in the case of a trade involving dealing in goods, all sales and purchases of goods made in the course of the trade; <sup>F14</sup> ...
- <sup>F14</sup>(b) .....
- [ The Commissioners for Her Majesty's Revenue and Customs may by regulations—
- <sup>F15</sup>(3A) (a) provide that the records required to be kept and preserved under this section include, or do not include, records specified in the regulations, and
- (b) provide that those records include supporting documents so specified.]
- [<sup>F16</sup>(4) The duty under subsection (1) or (2A) to preserve records may be discharged—
- (a) by preserving them in any form and by any means, or
- (b) by preserving the information contained in them in any form and by any means,
- subject to subsection (4A) and any conditions or further exceptions specified in writing by the Commissioners for Her Majesty's Revenue and Customs.]
- [ [<sup>F18</sup>Subsection (4)(b) does not apply in the case of the following kinds of records]—
- <sup>F17</sup>(4A) (a) any statement in writing such as is mentioned in—
- (i) subsection (1) of [<sup>F19</sup>section 1100 of CTA 2010] (amount [<sup>F20</sup>of distribution, formerly amount] of qualifying distribution and tax credit), or
- [<sup>F21</sup>(ii) section 495(1) or 975(2) or (4) of ITA 2007 (statements about deduction of income tax),]
- which is furnished by the company or person there mentioned, whether after the making of a request or otherwise;
- [<sup>F22</sup>(b) any record (however described) which is required by regulations under section 70(1)(c) of the Finance Act 2004 to be given to a sub-contractor (within the meaning of section 58 of that Act) on the making of a payment to which section 61 of that Act (deductions on account of tax) applies;]
- (c) any such record as may be requisite for making a correct and complete claim in respect of, or otherwise requisite for making a correct and complete return so far as relating to, an amount of tax—

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- (i) which has been paid under the laws of a territory outside the United Kingdom, or
  - [<sup>F23</sup>(ii) which would have been payable under the law of a territory outside the United Kingdom (“territory F”) but for a development relief.]]
- [ In subsection (4A)(c) “development relief” means a relief—
- <sup>F24</sup>(4B) (a) given under the law of territory F with a view to promoting industrial, commercial, scientific, educational or other development in a territory outside the United Kingdom, and
  - (b) about which provision is made in arrangements that have effect under section 2(1) of TIOPA 2010 (double taxation relief by agreement with territories outside the United Kingdom).]
- (5) [<sup>F25</sup>[<sup>F26</sup>Subject to subsections (5A) and (5B)] below,] any person who fails to comply with subsection (1) [<sup>F27</sup>or (2A)] above in relation to a year of assessment or accounting period shall be liable to a penalty not exceeding £3,000.
- [ Subsection (5) above does not apply where the records which the person fails to keep or
- <sup>F28</sup>(5A) preserve are records which might have been requisite only for the purposes of claims, elections or notices which are not included in the return.]
- [ Subsection (5) above also does not apply where—
- <sup>F29</sup>(5B) (a) the records which the person fails to keep or preserve are records falling within paragraph (a) of subsection (4A) above; and
  - (b) an officer of the Board is satisfied that any facts which he reasonably requires to be proved, and which would have been proved by the records, are proved by other documentary evidence furnished to him.]
- [ Regulations under this section may make provision, in relation to relevant transfer
- <sup>F30</sup>(5BA) pricing records specified, or of a description specified, in the regulations—
  - (a) as to the form or manner in which those records are to be kept and preserved;
  - (b) by reference to things specified in the transfer pricing guidelines (within the meaning of section 164 of TIOPA 2010 (interpretation in accordance with OECD principles)).]
- [ Regulations under this section may—
- <sup>F31</sup>(5C) (a) make different provision for different cases, and
  - (b) make provision by reference to things specified in a notice published by the Commissioners for Her Majesty's Revenue and Customs in accordance with the regulations (and not withdrawn by a subsequent notice).]
- (6) For the purposes of this section—
- (a) a person engaged in the letting of property shall be treated as carrying on a trade; <sup>F32</sup>...
- [ records are “relevant transfer pricing records” if the Commissioners for His
- <sup>F33</sup>(aa) Majesty’s Revenue and Customs reasonably consider that the records may relate to the calculation of profits or losses in accordance with Part 4 of TIOPA 2010 (transfer pricing);]
  - (b) “supporting documents” includes accounts, books, deeds, contracts, vouchers and receipts.]

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### Textual Amendments

- F1** S. 12B and cross-heading inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 19 para. 3](#); S.I. 1998/3173, art. 2
- F2** Word in s. 12B(1) repealed (with effect in accordance with s. 117(4)(5) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 19 para. 6](#), [Sch. 27 Pt. 3\(28\)](#); S.I. 1998/3173, art. 2
- F3** Words in s. 12B(1) omitted (13.8.2009) by virtue of [The Finance Act 2009, Schedule 47 \(Consequential Amendments\) Order 2009 \(S.I. 2009/2035\)](#), art. 1, [Sch. para. 4](#)
- F4** S. 12B(1)(b) substituted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 105\(1\)](#)
- F5** Words in s. 12B(1)(b)(i) repealed (with effect in accordance with s. 88(3) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 29 para. 20\(2\)\(a\)](#), [Sch. 33 Pt. 2\(13\)](#) Note
- F6** Words in s. 12B(1)(b)(i) substituted (with effect in accordance with Sch. 15 para. 44 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 15 para. 9](#)
- F7** Words in s. 12B(1)(b)(i) repealed (with effect in accordance with s. 88(3) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 29 para. 20\(2\)\(c\)](#), [Sch. 33 Pt. 2\(13\)](#) Note
- F8** Words in s. 12B(1)(b)(ii) repealed (with effect in accordance with s. 88(3) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 29 para. 20\(3\)](#), [Sch. 33 Pt. 2\(13\)](#) Note
- F9** Word in s. 12B(2)(b) substituted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), [s. 115\(2\)](#), [Sch. 37 para. 2\(2\)\(a\)](#); S.I. 2009/402, art. 2
- F10** Words in s. 12B(2) repealed (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 105\(2\)](#), [Sch. 29 Pt. 8\(14\)](#)
- F11** Words in s. 12B(2) inserted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), [s. 115\(2\)](#), [Sch. 37 para. 2\(2\)\(b\)](#); S.I. 2009/402, art. 2
- F12** S. 12B(2A) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 105\(3\)](#)
- F13** Words in s. 12B(3)(a) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 105\(4\)\(a\)](#)
- F14** S. 12B(3)(b) and preceding word omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 115\(2\)](#), [Sch. 37 para. 2\(3\)](#); S.I. 2009/402, art. 2
- F15** S. 12B(3A) inserted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), [s. 115\(2\)](#), [Sch. 37 para. 2\(4\)](#); S.I. 2009/402, art. 2
- F16** S. 12B(4) substituted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), [s. 115\(2\)](#), [Sch. 37 para. 2\(5\)](#); S.I. 2009/402, art. 2
- F17** S. 12B(4A) inserted (with effect in accordance with s. 124(1) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 124\(3\)](#) (with s. 124(9))
- F18** Words in s. 12B(4A) substituted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), [s. 115\(2\)](#), [Sch. 37 para. 2\(6\)](#); S.I. 2009/402, art. 2
- F19** Words in s. 12B(4A) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 154](#) (with [Sch. 2](#))
- F20** Words in s. 12B(4A)(a)(i) inserted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 51\(7\)](#)
- F21** S. 12B(4A)(a)(ii) substituted (with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [s. 1034\(1\)](#), [Sch. 1 para. 246](#) (with [Sch. 2](#))
- F22** S. 12B(4A)(b) substituted (with effect in accordance with s. 77 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 12 para. 1\(2\)](#)
- F23** S. 12B(4A)(c)(ii) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [s. 381\(1\)](#), [Sch. 8 para. 3\(2\)](#) (with [Sch. 9 paras. 1-9, 22](#))
- F24** S. 12B(4B) inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [s. 381\(1\)](#), [Sch. 8 para. 3\(3\)](#) (with [Sch. 9 paras. 1-9, 22](#))

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- F25** Words in s. 12B(5) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 105\(6\)\(a\)](#)
- F26** Words in s. 12B(5) substituted (with effect in accordance with s. 124(1) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 124\(4\)](#) (with s. 124(9))
- F27** Words in s. 12B(5) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 105\(6\)\(b\)](#)
- F28** S. 12B(5A) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 105\(7\)](#)
- F29** S. 12B(5B) inserted (with effect in accordance with s. 124(1) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 124\(5\)](#) (with s. 124(9))
- F30** S. 12B(5BA) inserted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), Sch. 5 para. 3\(2\)](#) (with Sch. 5 para. 7)
- F31** S. 12B(5C) inserted (1.4.2009) by [Finance Act 2008 \(c. 9\), s. 115\(2\), Sch. 37 para. 2\(7\)](#); S.I. 2009/402, art. 2
- F32** Word in s. 12B(6) omitted (11.7.2023) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\), Sch. 5 para. 3\(3\)\(a\)](#) (with Sch. 5 para. 7)
- F33** S. 12B(6)(aa) inserted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), Sch. 5 para. 3\(3\)\(b\)](#) (with Sch. 5 para. 7)

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**Modifications etc. (not altering text)**

- C1** S. 12B applied (with modifications) (E.W.) (6.4.2009) by [The Education \(Student Loans\) \(Repayment\) Regulations 2009 \(S.I. 2009/470\), regs. 1\(1\), 32](#) (with reg. 1(4)(6))
- C2** S. 12B applied (with modifications) (N.I.) (6.4.2009) by [The Education \(Student Loans\) \(Repayment\) Regulations \(Northern Ireland\) 2009 \(S.R. 2009/128\), regs. 1\(1\), 27](#)
- C3** S. 12B applied (with application in accordance with reg. 1 of the amending S.I.) by [The Education \(Postgraduate Masters Degree Loans\) Regulations 2016 \(S.I. 2016/606\), regs. 1\(1\), 42](#)
- C4** S. 12B(5) excluded (with effect in accordance with s. 33(1) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 33\(3\)\(a\)](#)

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**Changes and effects yet to be applied to :**

- s. 12B(2) words substituted by 2017 c. 32 Sch. 14 para. 14(3)
- s. 12B(2A) word substituted by 2017 c. 32 Sch. 14 para. 14(5)(b)(ii)
- s. 12B(2A) words omitted by 2017 c. 32 Sch. 14 para. 14(5)(b)(i)
- s. 12B(2A)(a) words substituted by 2017 c. 32 Sch. 14 para. 14(5)(a)
- s. 12B(3)(a) word substituted by 2017 c. 32 Sch. 14 para. 14(6)
- s. 12B(4) word substituted by 2017 c. 32 Sch. 14 para. 14(7)(a)
- s. 12B(4) word substituted by S.I. 2009/56 Sch. 1 para. 7
- s. 12B(4) words inserted by 2017 c. 32 Sch. 14 para. 14(7)(b)
- s. 12B(5) word substituted by 2017 c. 32 Sch. 14 para. 14(8)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Blanket Amendment words substituted by 2005 c. 4 Sch. 11 para. 5

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 12ABZAA(5)(a) words substituted by 2017 c. 32, Sch. 14 para. 10BA(3)(a) (as inserted) by 2020 c. 14 s. 104(4)
- s. 12ABZAA(5)(b) words substituted by 2017 c. 32, Sch. 14 para. 10BA(3)(b) (as inserted) by 2020 c. 14 s. 104(4)
- s. 7(1BA) words substituted by 2017 c. 32 Sch. 14 para. 2(3)
- s. 8(1AB)-(1AD) inserted by 2017 c. 32 Sch. 14 para. 3(5)
- s. 8(1HA) inserted by 2017 c. 32 Sch. 14 para. 3(11)
- s. 8A(1)(1ZA) substituted for s. 8A(1) by 2017 c. 32 Sch. 14 para. 4(3)
- s. 8A(1AB)-(1AD) inserted by 2017 c. 32 Sch. 14 para. 4(5)
- s. 8A(1FA) inserted by 2017 c. 32 Sch. 14 para. 4(9)
- s. 8A(6)(7) inserted by 2017 c. 32 Sch. 14 para. 4(12)
- s. 12B(1)(1A) substituted for s. 12B(1) by 2017 c. 32 Sch. 14 para. 14(2)
- s. 12B(2ZA)(2ZB) inserted by 2017 c. 32 Sch. 14 para. 14(4)
- s. 12C and cross-heading inserted by 2017 c. 32 s. 60(2)
- s. 12AC(1)(aa) inserted by 2017 c. 32 Sch. 14 para. 13(2)(c)
- s. 12AC(7)(a) words inserted by 2017 c. 32 Sch. 14 para. 13(3)(b)
- s. 12AC(7)(a) words renumbered as s. 12AC(7)(a) by 2017 c. 32 Sch. 14 para. 13(3)(a)
- s. 12AC(7)(b) inserted by 2017 c. 32 Sch. 14 para. 13(3)(c)
- s. 12ABA(5) inserted by 2017 c. 32 Sch. 14 para. 11(4)
- s. 28ZA(6)(c) inserted by 2017 c. 32 Sch. 14 para. 15(b)
- s. 29(6)(aa) inserted by 2017 c. 32 Sch. 14 para. 20(3)
- s. 29(7)(a)(ia) omitted by 2019 c. 1 Sch. 2 para. 25(6)
- s. 46B(5)(f) and word inserted by 2009 c. 4 Sch. 1 para. 303
- s. 49E(5A) inserted by 2021 c. 26 Sch. 27 para. 4
- s. 49EA inserted by 2021 c. 26 Sch. 27 para. 5
- s. 49FA inserted by 2021 c. 26 Sch. 27 para. 6
- s. 61(1A) inserted by 2007 c. 15 Sch. 13 para. 33(3)
- s. 61(1A) omitted by 2008 c. 9 Sch. 43 para. 1(3)
- s. 63(2)(aa) inserted by 2007 asp 3 Sch. 5 para. 9(2)
- s. 69(1)(aa) inserted by 2021 c. 26 Sch. 27 para. 7(a)
- s. 103ZA(m)-(o) inserted by 2021 c. 26 Sch. 27 para. 8(b)
- s. 107A(3)(e) inserted by 2021 c. 26 Sch. 27 para. 9(3)(c)

- Sch. A1 amendment to earlier affecting provision 2017 c. 32, s. 60 by 2018 c. 3 Sch. 6 para. 7(2)(a)
- Sch. A1 amendment to earlier affecting provision 2017 c. 32, s. 60 by 2018 c. 3 Sch. 6 para. 7(2)(b)
- Sch. A1 inserted by 2017 c. 32 s. 60(3)