
Status: This version of this cross heading contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2015, Cross Heading: Penalties for failure to notify. (See end of Document for details)

SCHEDULES

SCHEDULE 20

PENALTIES IN CONNECTION WITH OFFSHORE MATTERS AND OFFSHORE TRANSFERS

Penalties for failure to notify

PROSPECTIVE

9 Schedule 41 to FA 2008 is amended as follows.

PROSPECTIVE

10 (1) Paragraph 6 (amount of penalty: standard amount) is amended as follows.

(2) After sub-paragraph (1) insert—

“(1A) If the failure is in category 0, the penalty is—

- (a) for a deliberate and concealed failure, 100% of the potential lost revenue,
- (b) for a deliberate but not concealed failure, 70% of the potential lost revenue, and
- (c) for any other case, 30% of the potential lost revenue.”

(3) In sub-paragraph (2)—

- (a) in paragraph (a), for “100%” substitute “ 125% ”,
- (b) in paragraph (b), for “70%” substitute “ 87.5% ”, and
- (c) in paragraph (c), for “30%” substitute “ 37.5% ”.

(4) In sub-paragraph (5), for “3” substitute “ 4 ”.

11 (1) Paragraph 6A (categorisation of failures) is amended as follows.

(2) For sub-paragraph (1) substitute—

“(A1) A failure is in category 0 if—

- (a) it involves a domestic matter,
- (b) it involves an offshore matter or an offshore transfer, the territory in question is a category 0 territory and the tax at stake is income tax or capital gains tax, or
- (c) it involves an offshore matter and the tax at stake is a tax other than income tax or capital gains tax.

(1) A failure is in category 1 if—

- (a) it involves an offshore matter or an offshore transfer,

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- (b) the territory in question is a category 1 territory, and
- (c) the tax at stake is income tax or capital gains tax.”
- (3) In sub-paragraph (2)(a), after “matter” insert “ or an offshore transfer ”.
- (4) In sub-paragraph (3)(a), after “matter” insert “ or an offshore transfer ”.
- (5) After sub-paragraph (4) insert—
 - “(4A) A failure “involves an offshore transfer” if—
 - (a) it does not involve an offshore matter,
 - (b) it is deliberate (whether or not concealed) and results in a potential loss of revenue,
 - (c) the tax at stake is income tax or capital gains tax, and
 - (d) the applicable condition in paragraph 6AA is satisfied.”
- (6) In sub-paragraph (5), for the words following “revenue” substitute “ and does not involve either an offshore matter or an offshore transfer ”.
- (7) In sub-paragraph (6)(a), after “matters” insert “ or transfers ”.
- (8) Omit sub-paragraph (8).
- (9) In sub-paragraph (9), after “paragraph” insert “ and paragraph 6AA ”.

Annotations:

Commencement Information

- II** Sch. 20 para. 11(3)-(9) in force at 1.4.2016 and the amendments therein have effect in accordance with art. 4(2) of the commencing S.I. by [S.I. 2016/456](#), **art. 4(1)**

- 12 After paragraph 6A insert—
- “6A(1) This paragraph makes provision in relation to offshore transfers.
- (2) Where the tax at stake is income tax, the applicable condition is satisfied if the income on or by reference to which the tax is charged, or any part of the income—
 - (a) is received in a territory outside the UK, or
 - (b) is transferred before the calculation date to a territory outside the UK.
 - (3) Where the tax at stake is capital gains tax, the applicable condition is satisfied if the proceeds of the disposal on or by reference to which the tax is charged, or any part of the proceeds—
 - (a) are received in a territory outside the UK, or
 - (b) are transferred before the calculation date to a territory outside the UK.
 - (4) In the case of a transfer falling within sub-paragraph (2)(b) or (3)(b), references to the income or proceeds transferred are to be read as including references to any assets derived from or representing the income or proceeds.

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(5) In relation to an offshore transfer, the territory in question for the purposes of paragraph 6A is the highest category of territory by virtue of which the failure involves an offshore transfer.

(6) In this paragraph “calculation date” means the date by reference to which the potential lost revenue is to be calculated (see paragraph 7).

6AB Regulations under paragraph 21B of Schedule 24 to FA 2007 (location of assets etc) apply for the purposes of paragraphs 6A and 6AA of this Schedule as they apply for the purposes of paragraphs 4A and 4AA of that Schedule.”

Annotations:

Commencement Information

I2 Sch. 20 para. 12 in force at 1.4.2016 and the amendments therein have effect in accordance with art. 4(2) of the commencing S.I. by [S.I. 2016/456, art. 4\(1\)](#)

PROSPECTIVE

13 In paragraph 13 (standard percentage reductions for disclosure), in the Table in sub-paragraph (3), at the appropriate places insert—

“37.5%	case A: 12.5%	case A: 0%
	case B: 25%	case B: 12.5%”,
“87.5%	43.75%	25%”, and
“125%	62.5%	40%”.

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