
STATUTORY INSTRUMENTS

2013 No. 1962

The International Tax Compliance (United States of America) Regulations 2013

Penalties for breach of obligations

Penalties for failure to comply otherwise than with regulation 11

12. A person is liable to a penalty of £300 if the person fails to comply with any obligation under these Regulations other than regulation 11.

Penalties for inaccurate information: reportable accounts

13.—(1) A person is liable to a penalty not exceeding £3,000 if—

- (a) in complying with an obligation under regulation 8 the person provides inaccurate information, and
- (b) condition A, B or C is met.

(2) Condition A is that the inaccuracy is—

- (a) due to a failure to comply with regulation 6, or
- (b) deliberate on the part of the person.

(3) Condition B is that the person knows of the inaccuracy at the time the information is provided but does not inform HMRC at that time.

(4) Condition C is that the person—

- (a) discovers the inaccuracy some time later, and
- (b) fails to take reasonable steps to inform HMRC.

Penalties for failure to report or accurately report payments to non-participating financial institutions

14.—(1) In relation to payments that are required to be identified under regulation 10(1), a person is liable to—

- (a) a penalty of £300 for each failure to report a payment, and
- (b) a penalty of £300 for each failure to set out a payment accurately in a report made under regulation 11.

(2) But in relation to a calendar year, a person's liability for penalties under this regulation is subject to a limit of £3000.

Matters to be disregarded in relation to liability to penalties

15.—(1) Liability to a penalty under any of regulations 12 to 14 does not arise if the person satisfies HMRC or (on an appeal notified to the tribunal) the tribunal that there is a reasonable excuse for the failure.

(2) For the purposes of this regulation neither of the following is a reasonable excuse—

- (a) that there is an insufficiency of funds to do something, or
- (b) that a person relies upon another person to do something.

(3) If a person had a reasonable excuse for a 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.

Assessment of penalties

16.—(1) If the reporting financial institution becomes liable to a penalty under any of regulations 12 to 14, an officer of Revenue and Customs may assess the penalty.

(2) If an officer does so, the officer must notify the institution.

(3) An assessment of a penalty under regulation 12 or 14(1)(a) must be made within the period of 12 months beginning with the date on which the person became liable to the penalty.

(4) An assessment of a penalty under regulation 13 or 14(1)(b) must be made—

- (a) within the period of 12 months beginning with the date on which the inaccuracy first came to the attention of an officer of Revenue and Customs, and
- (b) within the period of 6 years beginning with the date on which the person became liable to the penalty.

Right to appeal against penalty

17. A person may appeal against a decision by an officer of Revenue and Customs—

- (a) that a penalty is payable under any of regulations 12 to 14, or
- (b) as to the amount of such a penalty.

Procedure on appeal against penalty

18.—(1) Notice of an appeal under regulation 17 must be given—

- (a) in writing,
- (b) before the end of the period of 30 days beginning with the date on which notification under regulation 16 was given, and
- (c) to HMRC.

(2) It must state the grounds of appeal.

(3) On an appeal under regulation 17(a) that is notified to the tribunal, the tribunal may confirm or cancel the decision.

(4) On an appeal under regulation 17(b) that is notified to the tribunal, the tribunal may—

- (a) confirm the decision, or
- (b) substitute for the decision another decision that the officer of Revenue and Customs had power to make.

(5) Subject to this regulation and regulation 19, the provisions of Part 5 of TMA 1970(1) relating to appeals have effect in relation to appeals under regulation 17 as they have effect in relation to an appeal against an assessment to income tax.

(1) 1970 c. 9. The Taxes Management Act 1970 was relevantly amended by sections 45(1) and 67(2) of the Finance (No. 2) Act 1975 (c. 45); section 68 of the Finance Act 1982 (c. 39); section 156(2) and (4) of the Finance Act 1989 (c. 26); section 199 of and paragraphs 18(1) and (2) of Schedule 19 to the Finance Act 1994 (c. 9); paragraph 28 of Schedule 19 to the Finance Act 1998 (c. 36); section 88 of and paragraph 31 of Schedule 29 to the Finance Act 2001 (c. 9); paragraph 21 of Schedule 1 to the

Enforcement of penalties

19.—(1) A penalty under these Regulations must be paid before the end of the period of 30 days beginning with the date mentioned in paragraph (2).

(2) That date is—

- (a) the date on which notification under regulation 16 is given in respect of the penalty, or
- (b) if a notice of appeal under regulation 17 is given, the date on which the appeal is finally determined or withdrawn.

(3) A penalty under these Regulations may be enforced as if it were income tax charged in an assessment and due and payable.