



# Taxes Management Act 1970

## 1970 CHAPTER 9

### PART II

#### RETURNS OF INCOME AND GAINS

##### *Corporation tax*

#### **[<sup>F1</sup>10 Notice of liability to corporation tax.**

- (1) Every company which is chargeable to corporation tax for any accounting period and has neither—
  - (a) made a return of its profits for that period, nor
  - (b) received a notice under section 11 of this Act requiring such a return,shall, within twelve months from the end of that period, give notice to the inspector that it is so chargeable.
- (2) If any company, for any accounting period ending on or before the appointed day, fails to comply with subsection (1) above, it shall be liable to a penalty not exceeding the amount of the corporation tax for which it is liable, in respect of its profits for that period, under assessments made more than twelve months after the end of that period.
- (3) If any company, for any accounting period ending after the appointed day, fails to comply with subsection (1) above, it shall be liable to a penalty not exceeding the amount by which so much of the corporation tax chargeable on its profits for that period as remains unpaid for twelve months after the end of that period exceeds any income tax [<sup>F2</sup>which, under section 7(2) or 11(3) of the principal Act, is to be set off against the corporation tax so chargeable].
- (4) In determining—
  - (a) for the purposes of subsection (2) above, for how much corporation tax a company is liable, in respect of its profits for an accounting period, under assessments made more than twelve months after the end of that period; or

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(b) for the purposes of subsection (3) above, how much of the corporation tax chargeable on the profits of a company for an accounting period remained unpaid at the time of any failure to comply with subsection (1) above, no account shall be taken of the discharge of any liability for that tax which, pursuant to a claim under subsection (3) of section 239 of the principal Act, is attributable to an amount of surplus advance corporation tax, as defined in that subsection.

(5) In this section “the appointed day” means the day appointed for the purposes of section 8(3) of the principal Act.]

#### Textual Amendments

- F1** S. 10 substituted (with effect in respect of notices given for accounting periods ending after 31.3.1989) by [Finance Act 1988 \(c. 39\), s. 121](#)
- F2** Words in s. 10(3) substituted (27.7.1993) by [1993 c. 34, s. 120, Sch. 14 para.1](#)

## 11 Return of profits.

- (1) A company may be required by a notice served on the company by an <sup>F3</sup>... officer of the Board to deliver to the officer [<sup>F4</sup>not later than the final day determined under subsection (4) below a return [<sup>F5</sup>such information as may [<sup>F6</sup>reasonably] be required in pursuance of the notice together with such accounts, statements and reports as may [<sup>F6</sup>reasonably] be so required.
- (1A) The information which a company may [<sup>F7</sup>reasonably] be required to supply under this section is information which is relevant to the application of the Corporation Tax Acts to the company; and the accounts, statements and reports which a company may [<sup>F7</sup>reasonably] be so required to supply are accounts, statements and reports which are so relevant.]]
- <sup>F8</sup>(2) A notice under this section may require a return [<sup>F9</sup>for] any period specified in the notice (in this subsection referred to as “the specified period”) but, if the specified period does not coincide with an accounting period of the company and the company is within the charge to corporation tax in the whole or some part of the specified period, then—
- (a) if an accounting period of the company ends in or at the end of the specified period, the notice shall be taken to require a return for that accounting period or, if there is more than one, for each of them;
  - (b) if no accounting period of the company ends in or at the end of the specified period but there is a part of the specified period which does not fall within an accounting period of the company, the notice shall be taken to require a return for that part of the specified period; and
  - (c) if the specified period begins in or at the beginning of an accounting period of the company and ends before the end of that period, the notice shall be of no effect and, accordingly, the company shall not be required to make any return pursuant to it.]
- <sup>F10</sup>(2A) In the case of a company which carries on a trade, profession or business in partnership with one or more other persons, a return under this section shall include each amount which, in any relevant statement, is stated to be equal to its share of any income, loss or charge for the period in respect of which the statement is made.

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- (2B) In subsection (2A) above “relevant statement” means a statement which, as respects the partnership, falls to be made under section 12AB of this Act for a period which includes, or includes any part of, the period in respect of which the return is required.]
- (3) Every return under this section shall include a declaration [<sup>F11</sup>by the person making the return] to the effect that the return is [<sup>F11</sup>to the best of his knowledge] correct and complete .
- [<sup>F12</sup>(4) Subject to subsection (5) below, the final day for the delivery of any return required by a notice under this section shall be whichever is the later of—
- (a) the first anniversary of the last day of the period to which the return relates;
  - (b) the first anniversary of the last day of that period of account of the company in which falls the last day of the accounting period (if any) to which the return relates; and
  - (c) the end of the period of three months beginning on the day following that on which the notice was served.
- (5) In paragraph (b) of subsection (4) above “period of account” has the same meaning as in the principal Act, but for the purposes of that paragraph the last day of a period of account which is longer than eighteen months shall be treated as the day on which expires the period of eighteen months beginning on the first day of the period of account.
- (6) In relation to a company which—
- (a) is resident in the United Kingdom throughout the period to which the return relates (in this subsection referred to as “the return period”); and
  - (b) is required under the Companies Act 1985 to prepare accounts for a period consisting of or including the return period,
- the reference to accounts in subsection (1) above is a reference only to such accounts, containing such particulars and having annexed to them such documents, as are required under that Act to be so prepared.
- <sup>F13</sup>(7) .....
- (8) Different information, accounts, statements and reports may be required in pursuance of a notice under this section in relation to different descriptions of company <sup>F14</sup>...
- [<sup>F15</sup>(8A) A return under this section shall be amended by the company delivering to the inspector a document in such form, containing such information and accompanied by such statements as the Board may require.]
- (9) In the application of this section to a company registered in Northern Ireland, references to the Companies Act 1985 shall be construed as references to the Companies (Northern Ireland) Order 1986.]

#### Textual Amendments

- F3** Words in s. 11(1) repealed (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 26 Pt. 5\(23\)](#); [S.I. 1998/3173](#), art. 2
- F4** [Finance \(No. 2\) Act 1987 \(c. 51\)](#), s. 82(2); [S.I. 1992/3066](#), art. 3
- F5** [Finance Act 1990 \(c. 29\)](#), s. 91(2); [S.I. 1992/3066](#), art. 3
- F6** Word in s. 11(1) inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 181\(1\)](#); [S.I. 1998/3173](#), art. 2

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- F7** Word in s. 11(1A) inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by Finance Act 1994 (c. 9), s. 181(2); S.I. 1998/3173, art. 2
- F8** Finance (No. 2) Act 1987 (c. 51), s. 82(3); S.I. 1992/3066, art. 3
- F9** Finance Act 1990 (c. 29), s. 91(3); S.I. 1992/3066, art. 3
- F10** S. 11(2A)(2B) inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by Finance Act 1994 (c. 9), s. 181(3); S.I. 1998/3173, art. 2
- F11** Finance Act 1990 s. 91(4), (8) *with respect to any notice served on or after 26 July 1990.*
- F12** S. 11(4)-(9) substituted for s. 11(4)-(6) by Finance (No. 2) Act 1987 (c. 51), s. 82(4); S.I. 1992/3066, art. 3
- F13** Finance Act 1990 (c. 29), s. 91(5); S.I. 1992/3066, art. 3
- F14** Finance Act 1990 (c. 29), s. 91(6); S.I. 1992/3066, art. 3
- F15** Finance Act 1990 (c. 29), s. 91(7); S.I. 1992/3066, art. 3

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

- C1** See—Finance (No. 2) Act 1987 (c. 51), ss. 82(2)(3)(4), 95(2)(3); Income and Corporation Taxes Act 1988 (c. 1), Sch. 29 para. 10(1); Finance Act 1990 (c. 29), s. 91 for modifications in the event of a notice being served after a day to be appointed.

**<sup>F16</sup>11A Notice of liability to capital gains tax.**

.....

**Textual Amendments**

- F16** S. 11A repealed (with effect as respects the year 1995-96 and subsequent years of assessment) by Finance Act 1995 (c. 4), s. 115(3)(13), Sch. 29 Pt. 8(14) (previously repealed by Finance Act 1994 (c. 9), s. 199(2)(3), Sch. 26 Pt. 5(23); S.I. 1998/3173, art. 2)

**[<sup>F17</sup>11AA Return of profits to include self-assessment.**

- (1) Every return under section 11 of this Act for an accounting period shall include an assessment (a self-assessment) of the amount in which,
- <sup>F18</sup>(a) [ on the basis of the information contained in the return; and
- (b) taking into account any relief, allowance or repayment of tax a claim for which is included in the return,]
- the company is chargeable to corporation tax for that period.
- (2) Subject to subsection (3) below—
- (a) at any time before the end of the period of nine months beginning with the day on which a company's return is delivered, an officer of the Board may by notice to the company so amend the company's self-assessment as to correct any obvious errors or mistakes in the return (whether errors of principle, arithmetical mistakes or otherwise); and
- (b) at any time before the end of the period of twelve months beginning with the filing date, a company may by notice to an officer of the Board so amend its self-assessment as to give effect to any amendments to its return which it has notified to such an officer.
- (3) No amendment of a self-assessment may be made under subsection (2) above at any time during the period—

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- (a) beginning with the day on which an officer of the Board gives notice of his intention to enquire into the return, and
  - (b) ending with the day on which the officer’s enquiries into the return are completed.
- (4) In this section and section 11AB of this Act “the filing date” means the day mentioned in section 11(4) of this Act.]

**Textual Amendments**

**F17** S. 11AA inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 182](#); [S.I. 1998/3173](#), art. 2

**F18** S. 11AA(1)(a)(b) substituted (with effect in accordance with s. 103(7) of the amending Act) for words by [Finance Act 1995 \(c. 4\), s. 104\(5\)](#)

**[<sup>F19</sup>11AB Power to enquire into return of profits.**

- (1) An officer of the Board may enquire into—
- (a) the return on the basis of which a company’s self-assessment was made under section 11AA of this Act, or
  - (b) any amendment of that return on the basis of which that assessment was amended under subsection (2)(b) of that section,
- if, before the end of the period mentioned in subsection (2) below, he gives notice in writing to the company of his intention to do so.
- (2) The period referred to in subsection (1) above is—
- (a) in the case of a return delivered or amendment made on or before the filing date, the period of twelve months beginning with that date;
  - (b) in the case of a return delivered or amendment made after that date, the period ending with the quarter day next following the first anniversary of the day on which the return or amendment was delivered or made;
- and the quarter days for the purposes of this subsection are 31st January, 30th April, 31st July and 31st October.
- (3) A return or amendment which has been enquired into under subsection (1) above shall not be the subject of a further notice under that subsection.]

**Textual Amendments**

**F19** S. 11AB inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 183](#); [S.I. 1998/3173](#), art. 2

**12 Information about chargeable gains.**

<sup>F20</sup>(1) .....

- (2) A notice under section 8 [<sup>F21</sup>or section 8A] or section 11 of this Act may require particulars of any assets acquired by the person on whom the notice was served (or if the notice relates to income or chargeable gains of some other person, of any assets acquired by that other person) in the period specified in the notice (being a period beginning not earlier than 6th April 1965) but excluding—

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- <sup>F22</sup>(a) any assets exempted by the following provisions of the [<sup>F23</sup>1992 Act], namely—
- (i) section [<sup>F24</sup>51(1)] (rights to winnings from pool betting, lotteries or games with prizes),
  - (ii) section [<sup>F25</sup>121] (government non-marketable securities),
  - (iii) section [<sup>F26</sup>263, 268 or 269] (passenger vehicles, decorations for valour or gallant conduct and foreign currency for personal expenditure)], or
- (b) unless the amount or value of the consideration for its acquisition exceeded [<sup>F27</sup>£6,000], any asset which is tangible movable property and is not within the exceptions in [<sup>F22</sup>section [<sup>F28</sup>262(6)]] of the said Act (terminal markets and currency), or
- (c) any assets acquired as trading stock.
- (3) The particulars required under this section may include particulars of the person from whom the asset was acquired, and of the consideration for the acquisition.
- <sup>F29</sup>(4) .....
- (5) In this section “trading stock” has the meaning given by section [<sup>F30</sup>100(2)] of the principal Act.

#### Textual Amendments

- F20** S. 12(1) repealed (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 26 Pt. 5\(23\)](#); S.I. 1998/3173, art. 2
- F21** Finance Act 1990 s. 90(2)(b), (5) *where a notice to deliver a return was, or falls to be given after 5 April 1990.*
- F22** [Capital Gains Tax Act 1979 \(c. 14\)](#), s. 157(2), [Sch. 7 paras. 1\(2\)](#), *9 for 1979-80 et seq.*
- F23** Words in s. 12(2)(a) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 3\(a\)](#) (with ss. 60, 101(1), 171, 201(3))
- F24** Words in s. 12(2)(a)(i) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 3\(b\)](#) (with ss. 60, 101(1), 171, 201(3))
- F25** Words in s. 12(2)(a)(ii) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 2\(3\)\(c\)](#) (with ss. 60, 101(1), 171, 201(3))
- F26** Words in s. 12(2)(a)(iii) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 2\(3\)\(d\)](#) (with ss. 60, 101(1), 171, 201(3))
- F27** Finance Act 1989 s. 123 *in relation to assets acquired on or after 6 April 1989. Previously “£3000”*
- F28** Words in s. 12(2)(b) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation and Chargeable Gains Act 1992 \(c. 12\)](#) ss. 289, 290, [Sch. 10 para. 2\(3\)\(e\)](#) (with ss. 60, 101(1), 171, 201(3))
- F29** S. 12(4) repealed (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 26 Pt. 5\(23\)](#); S.I. 1998/3173, art. 2
- F30** [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#) Sch. 29 para. 32.

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

- C2** See Finance Act 1990 s. 39—*power to call for a return in connection with claims for roll-over relief on disposal of shares to employee share ownership trusts.*

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