

## SCHEDULES

### SCHEDULE 18

#### SERIAL TAX AVOIDANCE

#### PART 3

##### ANNUAL INFORMATION NOTICES AND NAMING

###### *Annual information notices*

- 17 (1) A person (“P”) who has been given a warning notice under this Schedule must give HMRC a written notice (an “information notice”) in respect of each reporting period in the warning period (see sub-paragraph (11)).
- (2) An information notice must be given not later than the 30th day after the end of the reporting period to which it relates.
- (3) An information notice must state whether or not P—
- (a) has in the reporting period delivered a return, or made a claim or election, on the basis that a relevant tax advantage arises, or has since the end of the reporting period delivered on that basis a return which P was required to deliver before the end of that period,
  - (b) has in the reporting period failed to take action which P would be required to take under or by virtue of an enactment relating to tax but for particular DOTAS arrangements or disclosable VAT arrangements to which P is a party,
  - (c) has in the reporting period become a party to arrangements which—
    - (i) relate to the position with respect to VAT of another person (“S”) who has made supplies of goods or services to P, and
    - (ii) might be expected to enable P to obtain a relevant tax advantage (“the expected tax advantage”) in connection with those supplies of goods or services,
  - (d) has failed to deliver a return which P was required to deliver by a date falling in the reporting period.
- (4) In this paragraph “relevant tax advantage” means a tax advantage which particular DOTAS arrangements or disclosable VAT arrangements enable, or might be expected to enable, P to obtain.
- (5) If P has, in the reporting period concerned, made a return, claim or election on the basis mentioned in sub-paragraph (3)(a) or failed to take action as mentioned in sub-paragraph (3)(b) the information notice must—
- (a) explain (on the assumptions made by P in so acting or failing to act) how the DOTAS arrangements or disclosable VAT arrangements enable P to obtain the tax advantage, or (as the case may be) have the result that P is not required to take the action in question, and

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*Status: This is the original version (as it was originally enacted).*

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- (b) state (on the same assumptions) the amount of the relevant tax advantage mentioned in sub-paragraph (3)(a) or (as the case may be) the amount of any tax advantage which arises in connection with the absence of a requirement to take the action mentioned in sub-paragraph (3)(b).
- (6) If P has, in the reporting period, become a party to arrangements such as are mentioned in sub-paragraph (3)(c), the information notice—
  - (a) must state whether or not it is P’s view that the expected tax advantage arises to P, and
  - (b) if that is P’s view, must explain how the arrangements enable P to obtain the tax advantage and state the amount of the tax advantage.
- (7) If the time by which P must deliver a return falls within a reporting period and P fails to deliver the return by that time, HMRC may require P to give HMRC a written notice (a “supplementary information notice”) setting out any matters which P would have been required to set out in an information notice had P delivered the return in that reporting period.
- (8) A requirement under sub-paragraph (7) must be made by a written notice which states the period within which P must comply with the notice.
- (9) If P fails to comply with a requirement of (or imposed under) this paragraph HMRC may by written notice extend the warning period to the end of the period of 5 years beginning with—
  - (a) the day by which the information notice or supplementary information notice should have been given (see sub-paragraphs (2) and (8)) or, as the case requires,
  - (b) the day on which P gave the defective information notice or supplementary information notice to HMRC,or, if earlier, the time when the warning period would have expired but for the extension.
- (10) HMRC may permit information notices given by members of the same group of companies (as defined in paragraph 46(9)) to be combined.
- (11) For the purposes of this paragraph—
  - (a) the first reporting period in any warning period begins with the first day of the warning period and ends with a day specified by HMRC (“the specified day”),
  - (b) the remainder of the warning period is divided into further reporting periods each of which begins immediately after the end of the preceding reporting period and is twelve months long or (if that would be shorter) ends at the end of the warning period.