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## SCHEDULES

### SCHEDULE 19

#### LARGE BUSINESSES: TAX STRATEGIES AND SANCTIONS

#### PART 2

##### PUBLICATION OF TAX STRATEGIES

###### *Qualifying UK groups: duty to publish a group tax strategy*

- 16 (1) This paragraph applies in relation to a UK group which is a qualifying group in any financial year (“the current financial year”).
- (2) The head of the group must ensure that a group tax strategy for the group, containing the information required by paragraph 17, is prepared and published on behalf of the group in accordance with this paragraph.
- (3) The group tax strategy—
- (a) must be published before the end of the current financial year, and
  - (b) if the group was a qualifying group in the previous financial year, must not be published more than 15 months after the day on which its previous group tax strategy was published.
- (4) The group tax strategy—
- (a) must be published on the internet by any of the UK companies that are members of the group so as to be accessible to the public free of charge (whether or not it is also published in any other way), and
  - (b) may be published as a separate document or as a self-contained part of a wider document.
- (5) The head of the group must ensure that the group tax strategy published on the internet remains accessible to the public free of charge—
- (a) if a group tax strategy for the group's next financial year is required by this paragraph to be published, until that tax strategy is published, or
  - (b) if paragraph (a) does not apply, for at least one year.
- (6) For the purposes of this paragraph—
- (a) a group tax strategy is published when it is first published on the internet as mentioned in paragraph (4)(a),
  - (b) the identity of the group is not to be regarded as altered by any change in its membership during the current financial year resulting from a relevant body—
    - (i) becoming a 51% subsidiary of a member of the group, or
    - (ii) ceasing to be a 51% subsidiary of another member of the group; and

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- (c) if the group becomes a UK sub-group of a foreign group during the current financial year, it is to be treated for the rest of that year as if it were still a UK group.

(7) In this paragraph and paragraph 17 “financial year”, in relation to a UK group, means a financial year of the head of the group.

*Content of group tax strategy*

- 17 (1) A group tax strategy required to be published on behalf of a UK group by paragraph 16 must set out—
- (a) the approach of the group to risk management and governance arrangements in relation to UK taxation,
  - (b) the attitude of the group towards tax planning (so far as affecting UK taxation),
  - (c) the level of risk in relation to UK taxation that the group is prepared to accept, and
  - (d) the approach of the group towards its dealings with HMRC.
- (2) The group tax strategy may—
- (a) include other information relating to taxation (whether UK taxation or otherwise), and
  - (b) deal with a matter mentioned in sub-paragraph (1) by reference to the group as a whole or to individual members of the group (or to both).
- (3) The information required by sub-paragraph (1) to be included in the group tax strategy does not include any information about activities of any member of the group that consists of the provision of tax advice or related professional services to persons who are not members of the group.
- (4) The publication of information as the group tax strategy does not constitute publication of the strategy for the purposes of paragraph 16 unless the UK company publishing it makes clear (in a way that will be readily apparent to anyone accessing the information online) that the company regards its publication as complying with the duty under paragraph 16(2) in the current financial year.
- (5) For the purposes of this paragraph a UK permanent establishment of a foreign member of the group is to be treated as if it were a member of the group.
- (6) The Treasury may by regulations require the group tax strategy to include a country-by-country report.
- (7) In this paragraph “country-by-country report” has the meaning given by the Taxes (Base Erosion and Profit Shifting) (Country-by-Country Reporting) Regulations 2016.

*Penalty for non-compliance with paragraph 16*

- 18 (1) This paragraph applies where paragraph 16 requires a group tax strategy to be published for a UK group in any financial year of the head of the UK group.
- (2) The head of the group is liable to a penalty of £7,500 if—
- (a) there is a failure to publish a group tax strategy for the group that complies with paragraph 16(2), or

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- (b) where a group tax strategy has been published, there is a failure to comply with paragraph 16(5).
- (3) Subject to sub-paragraph (5) the head of the group is only liable to one penalty by virtue of sub-paragraph (2) in respect of a group tax strategy required for the financial year in question.
- (4) Sub-paragraph (5) applies where—
  - (a) the head of the group is liable to a penalty under this paragraph in respect of a failure mentioned in sub-paragraph (2)(a), and
  - (b) no group tax strategy for the group that complies with paragraph 16(2) (disregarding paragraph 16(3)) is published within the period of 6 months after the last day on which the duty under paragraph 16(2) could have been complied with.
- (5) At the end of that period, the head of the group—
  - (a) is liable to a further penalty of £7,500, and
  - (b) where the failure mentioned in sub-paragraph (4)(b) continues, is liable to a further penalty of £7,500 at the end of each subsequent month in which no such group tax strategy is published.

*UK sub-groups: duty to publish a sub-group tax strategy*

- 19
- (1) This paragraph applies to a UK sub-group of a foreign group if in any financial year (“the current financial year”) the foreign group is a qualifying group.
  - (2) The head of the sub-group must ensure that a sub-group tax strategy for the sub-group, giving the information required by paragraph 20, is prepared and published in accordance with this paragraph.
  - (3) The sub-group tax strategy—
    - (a) must be published before the end of the current financial year, and
    - (b) if the group of which the sub-group is part was a qualifying group in the previous financial year, must not be published more than 15 months after the day on which its sub-group tax strategy for that year was published;
  - (4) The sub-group tax strategy—
    - (a) must be published on the internet by any of the UK companies that are members of the foreign group so as to be accessible to the public free of charge (whether or not it is also published in any other way), and
    - (b) may be published as a separate document or as a self-contained part of a wider document.
  - (5) The head of the sub-group must ensure that the sub-group tax strategy published on the internet remains accessible to the public free of charge—
    - (a) if a sub-group tax strategy for the sub-group's next financial year is required by this paragraph to be published, until that tax strategy is published, or
    - (b) if paragraph (a) does not apply, for at least one year.
  - (6) For the purposes of this paragraph—
    - (a) a sub-group tax strategy is published when it is first published on the internet as mentioned in sub-paragraph (4)(a),

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- (b) the identity of the sub-group is not affected by any change in its membership in the current financial year resulting from a relevant body becoming or ceasing to be a 51% subsidiary of a member of the sub-group, and
- (c) if the sub-group becomes a UK sub-group of another foreign group during the current financial year, for the rest of that year it is to be treated as if it were still a UK sub-group of the original foreign group (but only a UK company within the sub-group may publish a sub-group tax strategy for the sub-group after that change).

(7) In this paragraph “financial year”, in relation to a UK sub-group, means a financial year of the head of the group of which it is a sub-group.

*Content of a sub-group tax strategy*

- 20 (1) Paragraph 17 applies in relation to a sub-group tax strategy required to be published on behalf of a UK sub-group by paragraph 19 as it applies to a group tax strategy required to be published by a qualifying UK group.
- (2) In the application of paragraph 17 to a sub-group tax strategy, references to the group or members of the group are to be read as references to the UK sub-group or members of the UK sub-group.
- (3) In the application of paragraph 17 as modified by this paragraph to a sub-group tax strategy, a UK permanent establishment of a foreign member of the UK sub-group is to be treated as if it were a member of the sub-group.

*Penalty for non-compliance with requirements of paragraph 19*

- 21 (1) This paragraph applies where paragraph 19 requires a sub-group tax strategy to be published for a UK sub-group in any financial year of the head of the sub-group.
- (2) The head of the sub-group is liable to a penalty of £7,500 if—
- (a) there is a failure to publish a sub-group tax strategy for the sub-group that complies with paragraph 19(2), or
  - (b) where a sub-group tax strategy has been published, there is a failure to comply with paragraph 19(5).
- (3) Subject to sub-paragraph (5), the head of the sub-group is only liable to one penalty by virtue of sub-paragraph (2) in respect of a sub-group tax strategy required for the financial year in question.
- (4) Sub-paragraph (5) applies where—
- (a) the head of the sub-group is liable to a penalty under this paragraph in respect of a failure mentioned in sub-paragraph (2)(a), and
  - (b) no sub-group tax strategy for the sub-group that complies with paragraph 19(2) (disregarding paragraph 19(3)) is published within the period of 6 months after the last day on which the duty under paragraph 19(2) could have been complied with.
- (5) At the end of that period, the head of the sub-group is liable—
- (a) to a further penalty of £7,500, and
  - (b) where the failure mentioned in sub-paragraph (4)(b) continues, to a further penalty of £7,500 at the end of each subsequent month in which no such sub-group tax strategy is published.

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*Qualifying companies: duty to publish a company tax strategy*

- 22 (1) This paragraph applies in relation to a UK company which in any financial year (“the current financial year”) is a qualifying company.
- (2) The company must prepare and publish a company tax strategy, containing the information required by paragraph 23, in accordance with this paragraph.
- (3) The duty under sub-paragraph (2) applies even if the company becomes a member of a UK group or a UK sub-group during the current financial year.
- (4) The company tax strategy—
- (a) must be published by the company before the end of the current financial year, and
  - (b) if the company was a qualifying company in the previous financial year, must not be published more than 15 months after the day on which its company tax strategy was published in the previous financial year.
- (5) The company tax strategy—
- (a) must be published on the internet so as to be accessible to the public free of charge (whether or not published in any other way), and
  - (b) may be published as a separate document or a self-contained part of a wider document.
- (6) The company must ensure that the company tax strategy published on the internet remains accessible to the public free of charge—
- (a) if a company tax strategy for the next financial year is required by this paragraph to be published, until that tax strategy is published, or
  - (b) if paragraph (a) does not apply, for at least one year.
- (7) For the purposes of this paragraph a company tax strategy is published when it is first published as mentioned in sub-paragraph (5)(a).
- (8) A UK permanent establishment which in any financial year is by virtue of paragraph 5(6) to be treated as a qualifying company is to be treated for the purposes of this paragraph and paragraphs 23 and 24 as if it were a UK company which in that financial year is a qualifying company.

*Content of a company tax strategy*

- 23 (1) The company tax strategy must set out—
- (a) the company's approach to risk management and governance arrangements in relation to UK taxation,
  - (b) the company's attitude towards tax planning (so far as affecting UK taxation),
  - (c) the level of risk in relation to UK taxation that the company is prepared to accept,
  - (d) the company's approach towards its dealings with HMRC.
- (2) The company tax strategy may include other information relating to taxation (whether UK taxation or otherwise).
- (3) The information required by sub-paragraph (1) to be included in a company tax strategy does not include any information about activities of the company that consist of the provision of tax advice or related professional services to other persons.

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- (4) The publication of information as a company tax strategy does not constitute publication of the strategy for the purposes of paragraph 22 unless the company makes clear (in a way that will be readily apparent to anyone accessing the information online) that the company regards its publication as complying with the duty under paragraph 22(2) in the current financial year.

*Penalty for non-compliance with paragraph 22*

- 24 (1) This paragraph applies where paragraph 22 requires a company tax strategy to be published for a UK company in any financial year.
- (2) The company is liable to a penalty of £7,500 if—
- (a) there is a failure to publish a company tax strategy for the company that complies with paragraph 22(2), or
  - (b) where a company tax strategy has been published, there is a failure to comply with paragraph 22(6).
- (3) Subject to sub-paragraph (5), the company is only liable to one penalty by virtue of sub-paragraph (2) in respect of a company tax strategy required for the financial year in question.
- (4) Sub-paragraph (5) applies where—
- (a) a penalty is imposed under this paragraph in respect of a failure mentioned in sub-paragraph (2)(a), and
  - (b) no company tax strategy that complies with paragraph 22(2) (disregarding paragraph 22(4)) is published within the period of 6 months after the last day on which the duty under paragraph 22(2) could have been complied with.
- (5) At the end of that period, the company is liable—
- (a) to a further penalty of £7,500, and
  - (b) where the failure mentioned in sub-paragraph (4)(b) continues, to a further penalty of £7,500 at the end of each subsequent month in which no such company tax strategy is published.

*Qualifying partnerships: duty to publish a partnership tax strategy*

- 25 (1) Paragraphs 22 to 24 apply in relation to a UK partnership which is (in any financial year of the partnership) a qualifying partnership as they apply to a UK company which is (in any financial year of the company) a qualifying company.
- (2) Those paragraphs have effect in their application to a qualifying partnership—
- (a) with the omission of paragraph 22(3) and (8),
  - (b) as if for “company tax strategy” (in each place) there were substituted “partnership tax strategy”, and
  - (c) as if for “company” and “company's” (in each place) there were substituted respectively “partnership” and “partnership's”.

*Penalties under this Part: general provisions*

- 26 (1) Paragraphs 27 to 33 apply in relation to the liability of any person to a penalty under this Part and, accordingly, in those paragraphs—

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“failure”, in relation to a liability for a penalty, means a failure which could give rise to that liability,

“liability to a penalty” means a liability under paragraph 18, 21 or 24 (including paragraph 24 as applied to a qualifying UK partnership), and

“penalty” means a penalty under any of those paragraphs.

- (2) In those paragraphs “tribunal” means the First-tier Tribunal or, where determined by or under the Tribunal Procedure Rules, the Upper Tribunal.

#### *Failure to comply with a time limit*

- 27 A failure to do anything required by this Part to be done within a limited period of time goes not give rise to liability to a penalty if it is done within such further time (if any) as an officer of Revenue and Customs may have allowed.

#### *Reasonable excuse*

- 28 (1) Liability to a penalty for a failure does not arise if the person who would otherwise be liable to that penalty satisfies HMRC or (on an appeal notified to the tribunal) the tribunal that the person had a reasonable excuse for that failure.
- (2) For the purposes of this paragraph—
- (a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person's control,
  - (b) where the person relies on another person to do anything, that cannot be a reasonable excuse—
    - (i) unless the first person took reasonable care to avoid the failure, or
    - (ii) if the first person is a UK group or UK sub-group, where the person relied on is another member of the group or sub-group,
  - (c) where the person had a reasonable excuse 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*

- 29 (1) Where a person becomes liable to a penalty—
- (a) HMRC may assess the penalty, and
  - (b) if they do so, HMRC must notify the person of the assessment.
- (2) An assessment of a penalty may not be made—
- (a) more than 6 months after the failure first comes to the attention of an officer of Revenue and Customs, or
  - (b) more than 6 years after the end of the financial year in which the tax strategy to which the failure relates was (or was originally) required to be published.

#### *Appeal*

- 30 (1) A person may appeal against a decision of HMRC that a penalty is payable by that person.
- (2) Notice of an appeal must be given—
- (a) in writing,

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- (b) before the end of the period of 30 days beginning with the date on which the notification under paragraph 29(1)(b) was issued,
- (3) Notice of an appeal must state the grounds of appeal.
- (4) On an appeal that is notified to the tribunal, the tribunal may confirm or cancel the decision.
- (5) Subject to this paragraph and paragraph 31, the provisions of Part 5 of TMA 1970 relating to appeals have effect in relation to appeals under this Schedule as they have effect in relation to an appeal against an assessment to income tax.

#### *Enforcement*

- 31 (1) A penalty must be paid—
- (a) before the end of the period of 30 days beginning with the date on which the notification under paragraph 29(1)(b) was issued, or
  - (b) if a notice of appeal is given, before the end of 30 days beginning with the day on which the appeal is determined or withdrawn.
- (2) A penalty may be enforced as if it were corporation tax charged in an assessment and due and payable.

#### *Power to change amount of penalties*

- 32 (1) If it appears to the Treasury that there has been a change in the value of money since the last relevant date, they may by regulations substitute for any sums for the time being specified in paragraph 18, 21 or 24 such other sum as appear to them to be justified by the change.
- (2) In sub-paragraph (1) “relevant date” means—
- (a) the date on which this Act is passed, and
  - (b) each date on which the power conferred by that sub-paragraph has been exercised.
- (3) Regulations under this paragraph do not apply to a failure that occurs in respect of a financial year (of the body or partnership responsible for the failure) that begins before the date on which they come into force.

#### *Application of provisions of TMA 1970*

- 33 Subject to the provisions of this Part, the following provisions of TMA 1970 apply for the purposes of this Part as they apply for the purposes of the Taxes Acts—
- (a) section 108 (responsibility of company officers),
  - (b) section 114 (want of form), and
  - (c) section 115 (delivery and service of documents).

#### *Meaning of “tax strategy”*

- 34 In this Part “tax strategy” means—
- (a) a group tax strategy (see paragraphs 16 to 18),
  - (b) a sub-group tax strategy (see paragraphs 19 to 21),
  - (c) a company tax strategy (see paragraphs 22 to 24), or



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- (d) a partnership tax strategy (see paragraph 25).

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

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

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)