
Changes to legislation: Finance Act 2016, Cross Heading: Amendments to Schedule 41 to the Finance Act 2008 (c. 9) is up to date with all changes known to be in force on or before 13 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 21

PENALTIES RELATING TO OFFSHORE MATTERS AND OFFSHORE TRANSFERS

Amendments to Schedule 41 to the Finance Act 2008 (c. 9)

5 Schedule 41 to FA 2008 (penalties: failure to notify etc) is amended as follows.

Commencement Information

II [Sch. 21 para. 5](#) in force at 1.4.2017 with effect in accordance with reg. 2 by [S.I. 2017/259](#), [reg. 2](#)

6 (1) Paragraph 12 (reductions for disclosure) is amended as follows.

(2) For sub-paragraph (1) substitute—

“(1) Paragraph 13 provides for reductions in penalties—

- (a) under paragraph 1 where P discloses a relevant failure that involves a domestic matter, and
- (b) under paragraphs 2 to 4 where P discloses a relevant act or failure.

(1A) Paragraph 13A provides for reductions in penalties under paragraph 1 where P discloses a relevant failure that involves an offshore matter or an offshore transfer.

(1B) Sub-paragraph (2) applies where P discloses—

- (a) a relevant failure that involves a domestic matter,
- (b) a non-deliberate relevant failure that involves an offshore matter, or
- (c) a relevant act or failure giving rise to a penalty under any of paragraphs 2 to 4.”

(3) In sub-paragraph (2), for “a” substitute “ the ”.

(4) After sub-paragraph (2) insert—

“(2A) Sub-paragraph (2B) applies where P discloses—

- (a) a deliberate relevant failure (whether concealed or not) that involves an offshore matter, or
- (b) a relevant failure that involves an offshore transfer.

(2B) P discloses the failure by—

- (a) telling HMRC about it,
- (b) giving HMRC reasonable help in quantifying the tax unpaid by reason of it,
- (c) allowing HMRC access to records for the purpose of checking how much tax is so unpaid, and

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- (d) providing HMRC with additional information.
- (2C) The Treasury must make regulations setting out what is meant by “additional information” for the purposes of sub-paragraph (2B)(d).
- (2D) Regulations under sub-paragraph (2C) are to be made by statutory instrument.
- (2E) An instrument containing regulations under sub-paragraph (2C) is subject to annulment in pursuance of a resolution of the House of Commons.”
- (5) At the end insert—
- “(5) Paragraph 6A(4) to (5) applies to determine whether a failure involves an offshore matter, an offshore transfer or a domestic matter for the purposes of this paragraph.
- (6) In this paragraph “relevant failure” means a failure to comply with a relevant obligation.”

Commencement Information

- I2** Sch. 21 para. 6(1)-(3)(5) in force at 1.4.2017 with effect in accordance with reg. 2 by [S.I. 2017/259](#), [reg. 2](#)
- I3** Sch. 21 para. 6(4) in force at 8.3.2017 for specified purposes by [S.I. 2017/259](#), [reg. 3](#)
- I4** Sch. 21 para. 6(4) in force at 1.4.2017 in so far as not already in force and with effect in accordance with reg. 2 of the commencing S.I. by [S.I. 2017/259](#), [reg. 2](#)

- 7 In paragraph 13 (amount of reduction for disclosure), for the Table in sub-paragraph (3) substitute—

<i>“Standard %</i>	<i>Minimum % for prompted disclosure</i>	<i>Minimum % for unprompted disclosure</i>
30%	case A: 10% case B: 20%	case A: 0% case B: 10%
70%	35%	20%
100%	50%	30%”

Commencement Information

- I5** Sch. 21 para. 7 in force at 1.4.2017 with effect in accordance with reg. 2 by [S.I. 2017/259](#), [reg. 2](#)

- 8 After paragraph 13 insert—

- “13A(1) If a person who would otherwise be liable to a penalty of a percentage shown in column 1 of the Table (a “standard percentage”) has made a disclosure, HMRC must reduce the standard percentage to one that reflects the quality of the disclosure.
- (2) But the standard percentage may not be reduced to a percentage that is below the minimum shown for it—
- (a) for a prompted disclosure, in column 2 of the Table, and
- (b) for an unprompted disclosure, in column 3 of the Table.

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- (3) Where the Table shows a different minimum for case A and case B—
- (a) the case A minimum applies if HMRC becomes aware of the failure less than 12 months after the time when the tax first becomes unpaid by reason of the failure;
 - (b) otherwise, the case B minimum applies.

<i>Standard %</i>	<i>Minimum % for prompted disclosure</i>	<i>Minimum % for unprompted disclosure</i>
30%	case A: 10% case B: 20%	case A: 0% case B: 10%
37.5%	case A: 12.5% case B: 25%	case A: 0% case B: 12.5%
45%	case A: 15% case B: 30%	case A: 0% case B: 15%
60%	case A: 20% case B: 40%	case A: 0% case B: 20%
70%	45%	30%
87.5%	53.75%	35%
100%	60%	40%
105%	62.5%	40%
125%	72.5%	50%
140%	80%	50%
150%	85%	55%
200%	110%	70%”

Commencement Information

I6 [Sch. 21 para. 8](#) in force at 1.4.2017 with effect in accordance with reg. 2 by [S.I. 2017/259](#), [reg. 2](#)

Changes to legislation:

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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\(3\)](#)