
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2021, Cross Heading: Categories of information. (See end of Document for details)

SCHEDULES

SCHEDULE 25

PENALTIES FOR DELIBERATELY WITHHOLDING INFORMATION

PART 2

LIABILITY TO A PENALTY

Categories of information

- 4 (1) Information is category 1 information if—
- (a) it involves a domestic matter, or
 - (b) it involves an offshore matter and the territory in question is a category 1 territory.
- (2) Information is category 2 information if—
- (a) it involves an offshore matter or an offshore transfer,
 - (b) the territory in question is a category 2 territory, and
 - (c) it is information which would enable or assist HMRC to assess the person's liability to the tax in question.
- (3) Information is category 3 information if—
- (a) it involves an offshore matter or an offshore transfer,
 - (b) the territory in question is a category 3 territory, and
 - (c) it is information which would enable or assist HMRC to assess the person's liability to the tax in question.
- (4) Information “involves an offshore matter” if the liability to tax which would have been shown in the return includes a liability to tax charged on or by reference to—
- (a) income arising from a source in a territory outside the UK,
 - (b) assets situated or held in a territory outside the UK,
 - (c) activities carried on wholly or mainly in a territory outside the UK, or
 - (d) anything having effect as if it were income, assets or activities of a kind described above.
- (5) Information “involves an offshore transfer” if—
- (a) it does not involve an offshore matter,
 - (b) it is information which would enable or assist HMRC to assess the person's liability to the tax in question,
 - (c) by failing to make the return, the person deliberately withholds the information (whether or not the withholding of the information is also concealed), and
 - (d) the applicable condition in paragraph 6 is satisfied.

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- (6) Information “involves a domestic matter” if it does not involve an offshore matter or an offshore transfer.
- (7) If the information which the person withholds falls into more than one category—
- (a) the person's failure to make the return is to be treated for the purposes of this Schedule as if it were separate failures, one for each category of information according to the matters or transfers which the information involves, and
 - (b) for each separate failure, the liability to tax which would have been shown in the return in question is taken to be such share of the liability to tax which would have been shown in the return mentioned in paragraph (a) as is just and reasonable.
- (8) For the purposes of this Schedule—
- (a) paragraph 21A of Schedule 24 to FA 2007 (classification of territories) has effect, but
 - (b) an order under that paragraph does not apply to a failure if the due date is before the date on which the order comes into force.
- (9) In this paragraph and paragraph 6—
- (a) “assets” has the meaning given in section 21(1) of TCGA 1992, but also includes sterling;
 - (b) “UK” means the United Kingdom, including the territorial sea of the United Kingdom.

Commencement Information

II Sch. 25 para. 4 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2(1)

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