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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2021, SCHEDULE 34. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 34

Section 128

#### INFORMATION POWERS: MISCELLANEOUS AMENDMENTS

- 1 Schedule 36 to FA 2008 (information and inspection powers) is amended as follows.

*Disclosure of third party or financial institution notice*

- 2 After paragraph 51 insert—

*“Disclosure of third party or financial institution notice*

51A(1) This paragraph applies if—

- (a) a person (“P”) is given a third party notice or financial institution notice (“the notice”), and
  - (b) the tribunal has disapplied the requirement in paragraph 4(1) or 4A(7)(a) (as the case may be) to give a copy of the notice to the taxpayer to whom it relates.
- (2) The notice may include a requirement that P must not disclose the notice, or anything relating to it, to—
- (a) the taxpayer to whom the notice relates, or
  - (b) any other person, except for a purpose relating to compliance with the notice.
- (3) A requirement imposed under sub-paragraph (2) has effect for a period of 12 months beginning with the day on which P is given the notice unless, before the end of that period—
- (a) the requirement is withdrawn in accordance with sub-paragraph (4), or
  - (b) the period is extended in accordance with sub-paragraph (5).
- (4) An officer of Revenue and Customs may, by notice in writing to P, withdraw a requirement imposed under sub-paragraph (2).
- (5) An officer of Revenue and Customs may—
- (a) by notice in writing to P, extend the period for which a requirement imposed under sub-paragraph (2) has effect for a further period of 12 months (beginning with the day after the last day of the previous period), and
  - (b) do so on one or more occasions.
- (6) An officer of Revenue and Customs may act under sub-paragraph (4) or (5) only if—
- (a) the officer is an authorised officer of Revenue and Customs, or

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- (b) an authorised officer of Revenue and Customs has agreed to the withdrawal of the requirement or the extension of the period (as the case may be).
- (7) An authorised officer of Revenue and Customs may only extend, or agree to the extension of, a period under sub-paragraph (5) if that officer has reasonable grounds for believing that not doing so might prejudice the assessment or collection of tax.
- 51B (1) A person who breaches a requirement imposed under paragraph 51A (not to disclose a notice or anything relating to it) is liable to a penalty of £1,000.
- (2) If a person becomes liable for a penalty under sub-paragraph (1)—
  - (a) HMRC may assess the penalty, and
  - (b) if they do so, they must notify the person.
- (3) The assessment must be made within the period of 12 months beginning with the date on which the breach of the requirement first came to the attention of an officer of Revenue and Customs.
- (4) Paragraph 41 applies in relation to the sum specified in sub-paragraph (1) above as it applies in relation to the sums mentioned in paragraph 41(1) but as if—
  - (a) the reference in paragraph 41(2)(a) to this Act were to FA 2021, and
  - (b) paragraph 41(3) prevented the regulations from applying to any breach committed before the date on which the regulations come into force.
- 51C (1) A person may appeal a decision of an officer of Revenue and Customs that a penalty is payable by the person under paragraph 51B.
- (2) Paragraph 48 (procedure on appeal against penalty) applies in relation to an appeal under this paragraph as it applies in relation to an appeal under paragraph 47(1)(a) but as if the reference to the notification under paragraph 46 were to the notification under paragraph 51B(2)(b).
- (3) Paragraph 49 (enforcement of penalty) applies in relation to a penalty under paragraph 51B as it applies in relation to a penalty under paragraph 39 but as if the reference to the notification under paragraph 46 were to the notification under paragraph 51B(2)(b)."

#### *Increased daily default penalty*

- 3 The existing text of paragraph 47 (right to appeal against penalty) is renumbered as sub-paragraph (1) and after that sub-paragraph as renumbered insert—
  - “(2) But sub-paragraph (1)(b) does not give a right of appeal against the amount of an increased daily penalty payable as a result of paragraph 49A.”
- 4 In paragraph 48 (procedure on appeal against penalty)—
  - (a) in sub-paragraph (3), for “paragraph 47(a)” substitute “ paragraph 47(1)(a) ”, and
  - (b) in sub-paragraph (4), for “paragraph 47(b)” substitute “ paragraph 47(1)(b) ”.
- 5 (1) Paragraph 49A (increased daily penalty) is amended as follows.

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- (2) In sub-paragraph (1)(c), for “imposed” substitute “ assessable ”.
  - (3) In sub-paragraph (2), for “imposed” substitute “ assessable ”.
  - (4) For sub-paragraphs (3) and (4) substitute—
    - “(3) If the tribunal decides that an increased daily penalty should be assessable—
      - (a) the tribunal must determine the day from which the increased daily penalty is to apply and the maximum amount of that penalty (“the new maximum amount”), and
      - (b) from that day, paragraph 40(2) has effect in the person's case as if the new maximum amount were substituted for the amount for the time being specified there.
    - (4) The new maximum amount may not be more than £1,000.”
  - (5) In sub-paragraph (5), in the opening words, for “the amount” substitute “ the new maximum amount ”.
  - (6) In sub-paragraph (6), at the end insert “ but as if the reference in paragraph 41(2)(a) to this Act were to FA 2021 ”.
- 6 (1) Paragraph 49B is amended as follows.
- (2) In sub-paragraph (1), for “a person becomes liable to a penalty” substitute “ the tribunal makes a determination ”.
  - (3) In sub-paragraph (2), for the words from “the day” to the end substitute “ the new maximum amount and the day from which it applies ”.
  - (4) Omit sub-paragraph (3).
- 7 Omit paragraph 49C.

*Power to give taxpayer notice following land transaction return*

- 8 (1) Paragraph 21A (taxpayer notices following land transaction return) is amended as follows.
- (2) In sub-paragraph (2), for “A to C” substitute “ A to D ”.
  - (3) After sub-paragraph (6) insert—
    - “(7) Condition D is that relief from stamp duty land tax has been given in respect of the transaction and the notice is given for the purpose of checking whether—
      - (a) the relief is withdrawn to any extent under a provision mentioned in section 81 or 81ZA of FA 2003, or
      - (b) paragraph 6 of Schedule 6B to FA 2003 (transfers involving multiple dwellings) applies.
    - (8) Where condition D is met (and not any of conditions A to C), a taxpayer notice may not be given by virtue of this paragraph after the end of the period of 4 years beginning with the effective date of the transaction (but see sub-paragraph (9) in relation to PAIF seeding relief and COACS seeding relief).

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- (9) Where condition D is met because the notice is given for the purpose of checking whether the relief is withdrawn to any extent under a paragraph of Schedule 7A to FA 2003 (PAIF seeding relief and COACS seeding relief), the reference in sub-paragraph (8) to the effective date of the transaction is to be read as a reference to the first day of the control period within the meaning of that Schedule (see paragraph 21 of that Schedule).
- (10) “Effective date” has the same meaning for the purposes of sub-paragraph (8) as for the purposes of Part 4 of FA 2003 (see section 119 of that Act).”

#### *Commencement*

- 9 The amendments made by paragraph 8 have effect whenever the land transaction return under section 76 of FA 2003 was delivered.

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