



# Tax Collection and Management (Wales) Act 2016

2016 anaw 6

## PART 5

### PENALTIES

#### CHAPTER 3

##### PENALTIES FOR INACCURACIES

###### *Penalties for inaccuracies in documents*

#### **129 Penalty for inaccuracy in document given to WRA**

- (1) A person is liable to a penalty where—
  - (a) the person gives WRA a document, and
  - (b) conditions 1 and 2 are satisfied.
- (2) Condition 1 is that the document contains an inaccuracy which amounts to, or leads to—
  - (a) an understatement of a liability to a devolved tax,
  - (b) a false or inflated statement of a loss relating to a devolved tax, <sup>F1</sup> ...
  - (c) a false or inflated claim to repayment of devolved tax [<sup>F2</sup>, or
  - (d) a false or inflated claim for a tax credit.]
- (3) Condition 2 is that the inaccuracy was deliberate or careless on the person's part.
- (4) An inaccuracy is careless on a person's part if it is due to the person's failure to take reasonable care.
- (5) An inaccuracy which was neither deliberate nor careless on a person's part when the document was given is to be treated as careless if the person—

*Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalties for inaccuracies in documents. (See end of Document for details)*

- (a) discovered the inaccuracy at some later time, and
  - (b) did not take reasonable steps to inform WRA.
- (6) Where a document contains more than one inaccuracy in respect of which conditions 1 and 2 are satisfied, the person is liable to a penalty for each such inaccuracy.

#### Textual Amendments

- F1** Word in s. 129(2) omitted (1.4.2018) by virtue of [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), [Sch. para. 29\(a\)](#)
- F2** S. 129(2)(d) and word inserted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), [Sch. para. 29\(b\)](#)

#### Commencement Information

- I1** S. 129 in force at 1.4.2018 by [S.I. 2018/33](#), [art. 3](#)

### 130 Amount of penalty for inaccuracy in document given to WRA

- (1) The penalty for a deliberate inaccuracy is [<sup>F3</sup>an amount not exceeding] 100% of the potential lost revenue.
- (2) The penalty for a careless inaccuracy is [<sup>F4</sup>an amount not exceeding] 30% of the potential lost revenue.

#### Textual Amendments

- F3** Words in s. 130(1) inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), [Sch. 23 para. 48\(a\)](#); [S.I. 2018/34](#), art. 3
- F4** Words in s. 130(2) inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), [Sch. 23 para. 48\(b\)](#); [S.I. 2018/34](#), art. 3

#### Commencement Information

- I2** S. 130 in force at 1.4.2018 by [S.I. 2018/33](#), [art. 3](#)

### 131 Suspension of penalty for careless inaccuracy

- (1) WRA may suspend all or part of a penalty for a careless inaccuracy under section 129 by issuing a notice to the person liable to the penalty.
- (2) The notice must specify—
- (a) what part of the penalty is to be suspended,
  - (b) a period of suspension not exceeding 2 years, and
  - (c) conditions of suspension to be complied with by the person.
- (3) WRA may suspend all or part of a penalty only if compliance with a condition of suspension would help the person to avoid becoming liable to further penalties under section 129 for careless inaccuracy.
- (4) A condition of suspension may specify—
- (a) action to be taken, and
  - (b) a period within which it must be taken.

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- (5) At the end of the period of suspension—
- (a) if the person satisfies WRA that the conditions of suspension have been complied with, the suspended penalty or part is cancelled, and
  - (b) otherwise, the suspended penalty or part becomes payable.
- (6) If, during the period of suspension of all or part of a penalty payable under section 129, the person becomes liable to another penalty under that section, the suspended penalty or part becomes payable.

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**Commencement Information**

**I3** S. 131 in force at 1.4.2018 by [S.I. 2018/33](#), [art. 3](#)

**132 Penalty for deliberate inaccuracy in document given to WRA by another person**

- (1) A person (referred to in this section as “person A”) is liable to a penalty where—
- (a) another person gives WRA a document,
  - (b) the document contains a relevant inaccuracy, and
  - (c) the inaccuracy was attributable—
    - (i) to person A deliberately supplying false information to the other person (whether directly or indirectly), or
    - (ii) to person A deliberately withholding information from the other person,
 with the intention of the document containing the inaccuracy.
- (2) A “relevant inaccuracy” is an inaccuracy which amounts to, or leads to—
- (a) an understatement of a liability to a devolved tax,
  - (b) a false or inflated statement of a loss relating to a devolved tax,<sup>F5</sup> ...
  - (c) a false or inflated claim to repayment of devolved tax [<sup>F6</sup>, or
  - (d) a false or inflated claim for a tax credit.]
- (3) Person A is liable to a penalty under this section in respect of an inaccuracy whether or not the other person is liable to a penalty under section 129 in respect of the same inaccuracy.
- (4) The penalty payable under this section is [<sup>F7</sup>an amount not exceeding] 100% of the potential lost revenue.

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**Textual Amendments**

- F5** Word in s. 132(2) omitted (1.4.2018) by virtue of [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), [Sch. para. 30\(a\)](#)
- F6** S. 132(2)(d) and word inserted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), [Sch. para. 30\(b\)](#)
- F7** Words in s. 132(4) inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), [Sch. 23 para. 49](#); [S.I. 2018/34](#), art. 3

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**Commencement Information**

**I4** S. 132 in force at 1.4.2018 by [S.I. 2018/33](#), [art. 3](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalties for inaccuracies in documents.