
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2016. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 20

PENALTIES FOR ENABLERS OF OFFSHORE TAX EVASION OR NON-COMPLIANCE

PART 1

LIABILITY FOR PENALTY

Reduction of penalty for disclosure etc by P

- 7 (1) If P (who would otherwise be liable to a penalty under paragraph 1)—
- (a) makes a disclosure to HMRC of—
 - (i) a matter relating to an inaccuracy in a document, a supply of false information or a failure to disclose an under-assessment,
 - (ii) P's enabling of actions by Q that constituted (or might constitute) a relevant offence or that made (or might make) Q liable to a relevant penalty, or
 - (iii) any other matter HMRC regard as assisting them in relation to the assessment of P's liability to a penalty under paragraph 1, or
 - (b) assists HMRC in any investigation leading to Q being charged with a relevant offence or found liable to a relevant penalty,
- HMRC must reduce the penalty to one that reflects the quality of the disclosure or assistance.
- (2) But the penalty may not be reduced—
- (a) in the case of unprompted disclosure or assistance, below whichever is the higher of—
 - (i) 10% of the potential lost revenue, or
 - (ii) £1,000, or
 - (b) in the case of prompted disclosure or assistance, below whichever is the higher of—
 - (i) 30% of the potential lost revenue, or
 - (ii) £3,000.

Commencement Information

II Sch. 20 para. 7 in force at 1.1.2017 by S.I. 2016/1249, reg. 2

- 8 (1) This paragraph applies for the purposes of paragraph 7.
- (2) P discloses a matter by—
- (a) telling HMRC about it,

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- (b) giving HMRC reasonable help in relation to the matter (for example by quantifying an inaccuracy in a document, an inaccuracy attributable to the supply of false information or withholding of information or an under-assessment), and
 - (c) allowing HMRC access to records for any reasonable purpose connected with resolving the matter (for example for the purpose of ensuring that an inaccuracy in a document, an inaccuracy attributable to the supply of false information or withholding of information or an under-assessment is fully corrected).
- (3) P assists HMRC in relation to an investigation leading to Q being charged with a relevant offence or found liable to a relevant penalty by—
- (a) assisting or encouraging Q to disclose all relevant facts to HMRC,
 - (b) allowing HMRC access to records, or
 - (c) any other conduct which HMRC considers assisted them in investigating or assessing Q's liability to such a penalty.
- (4) Disclosure or assistance by P—
- (a) is “unprompted” if made at a time when P has no reason to believe that HMRC have discovered or are about to discover Q's offshore tax evasion or non-compliance (including any inaccuracy in a document, supply of false information or withholding of information, or under-assessment), and
 - (b) otherwise is “prompted”.
- (5) In relation to disclosure or assistance, “quality” includes timing, nature and extent.

Commencement Information

I2 Sch. 20 para. 8 in force at 1.1.2017 by S.I. 2016/1249, reg. 2

- 9
- (1) If they think it right because of special circumstances, HMRC may reduce a penalty under paragraph 1.
 - (2) In sub-paragraph 1 “special circumstances” does not include—
 - (a) ability to pay, or
 - (b) the fact that a potential loss of revenue from one taxpayer is balanced by a potential overpayment by another.
 - (3) In sub-paragraph (1) the reference to reducing a penalty includes a reference to—
 - (a) staying a penalty, or
 - (b) agreeing a compromise in relation to proceedings for a penalty.

Commencement Information

I3 Sch. 20 para. 9 in force at 1.1.2017 by S.I. 2016/1249, reg. 2

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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\(3\)](#)