

## SCHEDULES

### SCHEDULE 27

Section 118

#### SCHEDULES 24 TO 26: CONSEQUENTIAL PROVISION

##### *Taxes Management Act 1970*

- 1 TMA 1970 is amended as follows.
- 2 For section 8B(8) (withdrawal of notice to file personal or trustee return) substitute—
  - “(8) See paragraph 21 of Schedule 24 and paragraph 16 of Schedule 25 to the Finance Act 2021 as to the cancellation of liabilities under those Schedules by including provision in a notice under this section.”
- 3 For section 12AAA(9) (withdrawal of notice to file partnership return) substitute—
  - “(9) See paragraph 21 of Schedule 24 and paragraph 16 of Schedule 25 to the Finance Act 2021 as to the cancellation of liabilities under those Schedules by including provision in a notice under this section.”
- 4 In section 49E (nature of review etc), after subsection (5) insert—
  - “(5A) See section 49EA concerning additional conclusions a review can reach in the case of penalties under Schedule 24 to the Finance Act 2021.”
- 5 After section 49E insert—

##### **“49EA Nature of review: penalties under Schedule 24 to FA 2021**

- (1) This section applies if—
  - (a) notice of appeal has been given to HMRC under paragraph 22(b) of Schedule 24 to the Finance Act 2021 in respect of a penalty, and
  - (b) HMRC are required to review the matter in question under section 49B or 49C (which apply to the appeal by virtue of paragraph 23(1) of that Schedule).
- (2) The review may also conclude that HMRC’s view that the appellant was liable to any of the penalty points by virtue of which the appellant was liable to the penalty is to be—
  - (a) upheld, or
  - (b) cancelled.
- (3) Subsection (2) applies in relation to a penalty point even if the time limit for appealing against it expired before notice of appeal in respect of the penalty was given.
- (4) Subsection (2) does not apply in relation to a penalty point if—

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- (a) it was concluded on an earlier review under section 49B or 49C that HMRC’s view that the appellant was liable to the penalty point was to be upheld, or
- (b) HMRC’s decision that the appellant was liable to the penalty point has been affirmed on appeal.”

6 After section 49F insert—

**“49FA Effect of conclusions of review: penalties under Schedule 24 to FA 2021**

- (1) If the conclusions of a review include conclusions reached by virtue of section 49EA and the conclusions of the review are final, sub-paragraphs (4) and (5) of paragraph 24 of Schedule 24 to the Finance Act 2021 apply but with the following modifications—
  - (a) references to the appeal under paragraph 22(b) of that Schedule are to be read as references to the review under section 49B or 49C (as the case may be),
  - (b) references to the tribunal are to be read as references to HMRC, and
  - (c) references to cancelling a decision are to be read as references to concluding that HMRC’s view is to be cancelled.
- (2) For the purposes of subsection (1) the conclusions of a review are to be treated as final only if the post-review period has ended and the appellant did not notify the appeal to the tribunal within that period.
- (3) In subsection (2) “post-review period” has the same meaning as in section 49G (see subsection (5) of that section).”

7 In section 69 (recovery of penalty or interest), in subsection (1)—

- (a) after paragraph (a) insert—
  - “(aa) penalties imposed under Schedule 26 to the Finance Act 2021;”;
- (b) omit paragraph (b).

8 In section 103ZA (disapplication of sections 100 to 103 in the case of certain penalties)—

- (a) omit the “or” at the end of paragraph (k);
- (b) after paragraph (l) insert—
  - “(m) Schedule 24 to the Finance Act 2021 (penalties for failure to make returns etc),
  - (n) Schedule 25 to that Act (penalties for deliberately withholding information), or
  - (o) Schedule 26 to that Act (penalties for failure to pay tax).”

9 (1) Section 107A (relevant trustees) is amended as follows.

(2) In subsection (2)—

- (a) in paragraph (a), after “Schedule 22 to the Finance Act 2016” insert “or Schedule 25 to the Finance Act 2021”;
- (b) in paragraph (c)—
  - (i) after “Schedule 56 to the Finance Act 2009” insert “or Schedule 26 to the Finance Act 2021”;
  - (ii) for “that Act” substitute “the Finance Act 2009”.

- (3) In subsection (3)—
- (a) omit paragraph (a);
  - (b) in paragraph (c)—
    - (i) in sub-paragraph (i), for “1, 3C, 12, 18 or 19” substitute “3C”;
    - (ii) omit sub-paragraph (ii) (but not the “or” at the end of that sub-paragraph);
    - (iii) in sub-paragraph (iii), omit “or (ii)”;
  - (c) after paragraph (d) insert—
    - “(e) in relation to—
      - (i) a penalty under Schedule 26 to the Finance Act 2021 (penalties for failure to pay tax), or
      - (ii) interest under section 101 of the Finance Act 2009 on a penalty within sub-paragraph (i),the end of the specified date as defined in paragraph 1 of Schedule 26 to the Finance Act 2021;”.

*Income and Corporation Taxes Act 1988*

- 10 In section 824 of the Income and Corporation Taxes Act 1988 (repayment supplements: individuals and others), in subsection (1)—
- (a) omit paragraph (c);
  - (b) in paragraph (d), for “that Act” substitute “the Finance Act 2009 or Schedules 24 to 26 to the Finance Act 2021.”

*Social Security Contributions and Benefits Act 1992*

- 11 The Social Security Contributions and Benefits Act 1992 is amended as follows.
- 12 In section 11A (application of certain provisions of the Income Tax Acts in relation to Class 2 contributions under section 11(2)), after subsection (1)(ea) insert—
- “(eb) Schedules 24 and 25 to the Finance Act 2021 (penalties for failure to make returns etc or for deliberately withholding information);”.
- 13 In section 16(1) (application of Income Tax Acts and destination of Class 4 contributions), at the end of paragraph (e) insert “and
- (f) the provisions of Schedules 24 and 25 to the Finance Act 2021 (penalties for failure to make returns etc or for deliberately withholding information);”.

*Social Security Contributions and Benefits (Northern Ireland) Act 1992*

- 14 In section 11A of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (application of certain provisions of the Income Tax Acts in relation to Class 2 contributions under section 11(2)), after subsection (1)(ea) insert—
- “(eb) Schedules 24 and 25 to the Finance Act 2021 (penalties for failure to make returns etc or for deliberately withholding information);”.

*Value Added Tax Act 1994*

- 15 VATA 1994 is amended as follows.

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- 16 In the italic heading before section 59, omit “Default surcharge and other”.
- 17 Omit sections 59 to 59B (default surcharge).
- 18 (1) Section 69 (breaches of regulatory provisions) is amended as follows.
- (2) In subsection (4)(a), for “for a surcharge under section 59 or 59A” substitute “to a penalty point or a penalty under Schedule 24 to the Finance Act 2021”.
- (3) In subsection (9)—
- (a) omit paragraph (b) and the “or” at the end of that paragraph;
  - (b) after paragraph (c) insert “or
  - (d) a person is awarded a penalty point or assessed to a penalty under Schedule 24 to the Finance Act 2021,”.
- 19 In section 71 (construction of sections 59 to 70), in the heading and in subsections (1) and (2), for “59” substitute “60”.
- 20 (1) Section 76 (assessment of amounts due by way of penalty, interest or surcharge) is amended as follows.
- (2) In the heading, for “penalty, interest or surcharge” substitute “penalty or interest”.
- (3) In subsection (1)—
- (a) omit paragraph (a) and the “or” at the end of that paragraph;
  - (b) in the words after paragraph (d), for “penalty, interest or surcharge” substitute “penalty or interest”.
- (4) In subsection (3)—
- (a) in the words before paragraph (a), for “penalties, interest and surcharge” substitute “penalties and interest”;
  - (b) omit paragraph (a).
- (5) In subsection (4), for “penalty, interest or surcharge”, in both places, substitute “penalty or interest”.
- (6) In subsection (5), for “penalty, interest or surcharge”, in both places, substitute “penalty or interest”.
- 21 In section 77 (assessments: time limits and supplementary assessments), in subsections (2), (3) and (5), for “penalty, interest or surcharge” substitute “penalty or interest”.
- 22 In section 81 (interest given by way of credit and set-off of credits), in subsections (3) (b) and (3A)(c), for “penalty, interest or surcharge” substitute “penalty or interest”.
- 23 In section 83 (appeals), in subsection (1)—
- (a) in paragraph (n)—
    - (i) omit “or surcharge”;
    - (ii) for “59” substitute “60”;
  - (b) in paragraph (q), for “penalty, interest or surcharge” substitute “penalty or interest”.
- 24 In section 83F (nature of review etc), after subsection (5) insert—
- “(5A) See section 83FA concerning additional conclusions a review can reach in the case of penalties under Schedule 24 to the Finance Act 2021.”

25 After section 83F insert—

**“83FA Nature of review: penalties under Schedule 24 to FA 2021**

- (1) This section applies if HMRC are required, by virtue of paragraph 23(1) of Schedule 24 to the Finance Act 2021, to undertake a review under section 83C or 83E of a penalty decision in respect of which an appeal lies under paragraph 22(b) of that Schedule.
- (2) The review may also conclude that HMRC’s decision that P was liable to any of the penalty points by virtue of which P was liable to the penalty in respect of which the appeal lies is to be—
  - (a) upheld, or
  - (b) cancelled.
- (3) Subsection (2) applies in relation to a penalty point even if the time limit for appealing against it expired before the relevant date.
- (4) Subsection (2) does not apply in relation to a penalty point if—
  - (a) it was concluded on an earlier review required to be undertaken under section 83C or 83E that HMRC’s decision that P was liable to the penalty point was to be upheld, or
  - (b) HMRC’s decision that P was liable to the penalty point has been affirmed on appeal.
- (5) In subsection (3) “relevant date” has the same meaning as in section 83F(6) (see section 83F(7)).”

26 After section 83FA (inserted by paragraph 25) insert—

**“83FB Effect of conclusions of review: penalties under Schedule 24 to FA 2021**

- (1) If the conclusions of a review include conclusions reached by virtue of section 83FA and the conclusions of the review are final, sub-paragraphs (4) and (5) of paragraph 24 of Schedule 24 to the Finance Act 2021 apply but with the following modifications—
  - (a) references to the appeal under paragraph 22(b) of that Schedule are to be read as references to the review required to be undertaken under section 83C or 83E (as the case may be),
  - (b) references to the tribunal are to be read as references to HMRC, and
  - (c) references to cancelling a decision are to be read as references to concluding that HMRC’s decision is to be cancelled.
- (2) For the purposes of subsection (1) the conclusions of a review are to be treated as final only if the period specified in subsection (3)(b), (4)(b) or (5) of section 83G for appealing the reviewed decision has ended and no appeal has been made within that period.”

27 In section 84 (further provisions relating to appeals), in subsection (6)—

- (a) for “penalty, interest or surcharge” substitute “penalty or interest”;
- (b) for “59” substitute “60”.

28 In Schedule 13 (transitional provisions and savings), omit paragraph 14.

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*Income Tax (Trading and Other Income) Act 2005*

- 29 ITTOIA 2005 is amended as follows.
- 30 In the italic heading before section 54, for “, interest and VAT surcharges” substitute “and interest”.
- 31 In section 54 (penalties, interest and VAT surcharges)—
- (a) in the heading, for “, interest and VAT surcharges” substitute “and interest”;
  - (b) omit subsection (3).
- 32 In section 272 (application of trading income rules: GAAP), in the table in subsection (2), in the entry for section 54, in the second column, for “, interest and VAT surcharges” substitute “and interest”.
- 33 In section 272ZA (application of trading income rules: cash basis), in the table in subsection (1), in the entry for section 54, in the second column, for “, interest and VAT surcharges” substitute “and interest”.
- 34 In the italic heading before section 869, for “, interest and VAT surcharges” substitute “and interest”.
- 35 In section 869 (penalties, interest and VAT surcharges: non trades etc)—
- (a) in the heading, for “, interest and VAT surcharges” substitute “and interest”;
  - (b) omit subsection (5).

*Corporation Tax Act 2009*

- 36 In section 1303 of CTA 2009 (penalties, interest and VAT surcharges)—
- (a) in the heading, for “, interest and VAT surcharges” substitute “and interest”;
  - (b) omit subsection (3).

*Finance Act 2009*

- 37 FA 2009 is amended as follows.
- 38 In section 108 (suspension of penalties during currency of agreement for deferred payment), in subsection (5), in the Table, omit the entry for value added tax.
- 39 (1) Schedule 55 (penalty for failure to make returns etc) is amended as follows.
- (2) In paragraph 1—
    - (a) in sub-paragraph (4), in the definition of “penalty date”, for “1 to 3” substitute “2A”;
    - (b) in the Table, omit items 1, 2 and 3.
  - (3) In paragraph 2 (as substituted by paragraph 3 of Schedule 10 to F(No.3)A 2010), in sub-paragraph (1)(a), for “1 to 5” substitute “2A, 4, 4A, 5”.
  - (4) Omit paragraphs 17A and 17B (cancellation of penalty) and the italic heading before those paragraphs.
  - (5) Omit paragraph 25 (partnerships) and the italic heading before that paragraph.
  - (6) Until the coming into force of paragraph 3 of Schedule 10 to F(No.3)A 2010, paragraph 2 of Schedule 55 to FA 2009 has effect as if for “1 to 3” there were substituted “2A”.

- 40 (1) Schedule 56 (penalty for failure to make payments on time) is amended as follows.
- (2) In paragraph 1, in the Table—
- (a) omit items 1, 3, 3A, 12, 18 and 19;
  - (b) omit items 6A and 6B (inserted by paragraph 2(7) of Schedule 11 to F(No.3)A 2010);
  - (c) omit item 13A (inserted by paragraph 2(9) of Schedule 11 to F(No.3)A 2010);
  - (d) in item 17—
    - (i) in column 2, for “1” substitute “2, 3B”;
    - (ii) in column 3, for “12” substitute “13”;
  - (e) in item 23—
    - (i) in column 2, for “1 to 6A” (as substituted by paragraph 2(13)(a) of Schedule 11 to F(No.3)A 2010) substitute “2, 3B to 6”;
    - (ii) in column 3—
      - (a) omit the words in brackets;
      - (b) for “1 to 6A” (as substituted by paragraph 2(13)(a) of Schedule 11 to F(No.3)A 2010) substitute “2, 3B to 6”;
  - (f) in item 24—
    - (i) in column 2, for “1 to 6A” (as substituted by paragraph 2(14)(a) of Schedule 11 to F(No.3)A 2010) substitute “2, 3B to 6”;
    - (ii) in column 3 omit the words in brackets.
- (3) In paragraph 2(c), for “1” substitute “2 and 3B”.
- (4) In paragraph 3—
- (a) in sub-paragraph (1)(a)—
    - (i) omit “1, 3,”;
    - (ii) omit “6B,” (as substituted by paragraph 5(3) of Schedule 11 to F(No.3)A 2010);
    - (iii) for “12” (as substituted by paragraph 5(3) of Schedule 11 to F(No.3)A 2010) substitute “13”;
  - (b) in sub-paragraph (1)(b) omit “6A,” (as substituted by paragraph 5(4)(a) of Schedule 11 to F(No.3)A 2010);
  - (c) omit sub-paragraphs (1)(d) and (1A) (as inserted by paragraph 5(5) and (6) of Schedule 11 to F(No.3)A 2010).
- (5) In paragraph 8A (inserted by paragraph 7 of Schedule 11 to F(No.3)A 2010)—
- (a) in sub-paragraph (1), omit “6A,”;
  - (b) omit sub-paragraphs (2) and (3).
- (6) In paragraph 8F (inserted by paragraph 7 of Schedule 11 to F(No.3)A 2010)—
- (a) in sub-paragraph (1) omit “6A,”;
  - (b) omit sub-paragraph (2).
- (7) Omit paragraph 8K and the italic heading before that paragraph and omit paragraph 8 of Schedule 11 to F(No.3)A 2010 that inserted them.
- (8) Until the coming into force of paragraph 2(13)(a) of Schedule 11 to F(No.3)A 2010, item 23 in the Table in paragraph 1 of Schedule 56 to FA 2009 has effect as if, in columns 2 and 3, for “1” there were substituted “2, 3B”.

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- (9) Until the coming into force of paragraph 2(14)(a) of Schedule 11 to F(No.3)A 2010, item 24 in the Table in paragraph 1 of Schedule 56 to FA 2009 has effect as if, in column 2, for “1” there were substituted “2, 3B”.

*Finance Act 2012*

- 41 In Schedule 38 to FA 2012 (tax agents: dishonest conduct), in paragraph 34(1)—
- (a) omit the “or” at the end of paragraph (b);
  - (b) at the end of paragraph (c), insert “, or
  - (d) Schedule 24 (penalties for failure to make returns etc) or Schedule 25 (penalties for deliberately withholding information) to FA 2021.”

*Finance Act 2013*

- 42 In Schedule 43C to FA 2013 (penalty under section 212A: supplementary provision), in paragraph 8—
- (a) in sub-paragraph (3)(b), after “Schedule 55 to FA 2009” insert “, or sub-paragraph (3)(b) or (5)(b) of paragraph 3 or paragraph 20(4) of Schedule 25 to FA 2021”;
  - (b) in sub-paragraph (5)—
    - (i) omit the “or” at the end of paragraph (c);
    - (ii) at the end of paragraph (d) insert “, or
    - (e) Schedule 25 to FA 2021 (penalties for deliberately withholding information).”;
  - (c) in sub-paragraph (6)—
    - (i) in paragraph (a)—
      - (a) omit the “or” at the end of sub-paragraph (ii);
      - (b) at the end of sub-paragraph (iii) insert “or
      - (iv) paragraph 3(4)(c) of Schedule 25 to FA 2021,”;
    - (ii) in paragraph (b)—
      - (a) omit the “or” at the end of sub-paragraph (ii);
      - (b) at the end of sub-paragraph (iii) insert “or
      - (iv) paragraph 3(4)(b) of Schedule 25 to FA 2021,”;
    - (iii) in paragraph (c)—
      - (a) omit the “or” at the end of sub-paragraph (ii);
      - (b) at the end of sub-paragraph (iii) insert “or
      - (iv) paragraph 3(6)(c) of Schedule 25 to FA 2021,”;
    - (iv) in paragraph (d)—
      - (a) omit the “or” at the end of sub-paragraph (ii);
      - (b) at the end of sub-paragraph (iii), for “and” substitute “or
      - (iv) paragraph 3(6)(b) of Schedule 25 to FA 2021, and”.



### *Finance Act 2014*

- 43 In section 212 of FA 2014 (aggregate penalties)—
- (a) in subsection (2)(b), after “Schedule 55 to FA 2009” insert “or paragraph 3(3)(b) or (5)(b) or 20(4) of Schedule 25 to FA 2021”;
  - (b) in subsection (4)—
    - (i) omit the “or” at the end of paragraph (d);
    - (ii) at the end of paragraph (e) insert “, or
    - (f) Schedule 25 to FA 2021 (penalties for deliberately withholding information).”;
  - (c) in subsection (5)—
    - (i) omit the “or” at the end of paragraph (a)(ii);
    - (ii) at the end of paragraph (a)(iii) insert “or
    - (iv) paragraph 3(4)(c) of Schedule 25 to FA 2021,”;
    - (iii) omit the “or” at the end of paragraph (b)(ii);
    - (iv) at the end of paragraph (b)(iii) insert “or
    - (iv) paragraph 3(4)(b) of Schedule 25 to FA 2021,”;
    - (v) at the end of paragraph (c)(iii) insert “or
    - (iv) paragraph 3(6)(c) of Schedule 25 to FA 2021,”;
    - (vi) in paragraph (d)(iii), for “and” substitute “or
    - (iv) paragraph 3(6)(b) of Schedule 25 to FA 2021, and”.

### *Finance Act 2015*

- 44 (1) Schedule 21 to FA 2015 (penalties in connection with offshore asset moves) is amended as follows.
- (2) In paragraph 1(2), at the beginning of paragraph (b) insert “where the original penalty is a penalty specified in paragraph (a), (b), (c) or (d) of paragraph 2,”.
- (3) In paragraph 2—
- (a) omit the “and” at the end of paragraph (c);
  - (b) at the end of paragraph (d) insert “, and
  - (e) a penalty under paragraph 3 of Schedule 25 to FA 2021 (penalties for deliberately withholding information), where the tax at stake is income tax or capital gains tax.”
- (4) In paragraph 5—
- (a) in sub-paragraph (4), in the words before paragraph (a)—
    - (i) after “original penalty is” insert “a penalty under paragraph 6 of Schedule 55 to FA 2009”;
    - (ii) for “Schedule 55 to FA 2009” substitute “that Schedule”;
  - (b) after sub-paragraph (5) insert—

“(6) Where the original penalty is a penalty under paragraph 3 of Schedule 25 to FA 2021 for a failure to make a return or deliver a document specified in the table in paragraph 1 of that Schedule,

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the relevant time is, if the tax at stake is income tax or capital gains tax, the beginning of the tax year to which the return or document relates.”

*Finance Act 2016*

- 45 FA 2016 is amended as follows.
- 46 In section 167 (simple assessments), omit subsections (3) and (4).
- 47 (1) Schedule 20 (penalties for enablers of offshore tax evasion or non-compliance) is amended as follows.
- (2) In paragraph 1(4), after paragraph (d) insert—
- “(e) a penalty under paragraph 3 of Schedule 25 to FA 2021 (penalties for deliberately withholding information) involving offshore activity.”
- (3) In paragraph 3(3)—
- (a) omit the “or” at the end of paragraph (b);
- (b) at the end of paragraph (c) insert “or
- (d) the liability to tax which would have been shown on the return (within the meaning of Schedule 25 to FA 2021),”;
- (c) in the words after paragraph (d) (as inserted above), for “or paragraph 6 of Schedule 55” substitute “, paragraph 6 of Schedule 55 or paragraph 3 of Schedule 25”.
- (4) In paragraph 4(3)(b), after “Schedule 55 to FA 2009” insert “or paragraph 3 of Schedule 25 to FA 2021”.
- (5) In paragraph 5, after sub-paragraph (4) insert—
- “(5) In the case of a penalty under paragraph 3 of Schedule 25 to FA 2021 involving offshore activity, the potential lost revenue is the liability to tax which would have been shown in the return in question (within the meaning of that Schedule).”
- 48 (1) Schedule 22 (asset-based penalty for offshore inaccuracies and failures) is amended as follows.
- (2) In paragraph 2—
- (a) in sub-paragraph (1), for “or (4A)” substitute “, (4A) or (4B)”;
- (b) in sub-paragraph (4A), in the words before paragraph (a), for “paragraph” substitute “sub-paragraph”;
- (c) after sub-paragraph (4A), insert—
- “(4B) A penalty falls within this sub-paragraph if—
- (a) it is imposed under paragraph 3 of Schedule 25 to FA 2021 (penalties for deliberately withholding information),
- (b) it is imposed for the withholding of information involving an offshore matter or an offshore transfer, and
- (c) the tax at stake is (or includes) capital gains tax or asset-based income tax.”
- (3) After paragraph 3(4), insert—

“(4A) Where a standard offshore tax penalty is imposed under paragraph 3 of Schedule 25 to FA 2021 for a failure to make a return or deliver a document listed in the table in paragraph 1 of that Schedule, the tax year to which that penalty relates is, if the tax at stake is income tax or capital gains tax, the tax year to which the return or document relates.”

(4) In paragraph 5—

- (a) in sub-paragraph (1)(b), after “Schedule 55 to FA 2009” insert “or Schedule 25 to FA 2021”;
- (b) in sub-paragraph (2)(a), for “or paragraph 6 of Schedule 55 to FA 2009” substitute “, paragraph 6 of Schedule 55 to FA 2009 or paragraph 3 of Schedule 25 to FA 2021”.

(5) In paragraph 19(2), for “or Part 1 of Schedule 18 to FA 2017” substitute “, Part 1 of Schedule 18 to F(No.2)A 2017 or Schedule 25 to FA 2021”.

49 In Schedule 23 (simple assessments), omit paragraph 9.

*Finance Act 2017*

50 In Schedule 4 to FA 2017 (pensions: offshore transfers), omit paragraph 20.

*Finance (No. 2) Act 2017*

51 In Schedule 18 to F(No.2)A 2017 (requirement to correct certain offshore tax non-compliance), in paragraph 15(2)(b), after “Schedule 55 to FA 2009” insert “or of paragraph 11 of Schedule 25 to FA 2021, as the case may be”.