

TAX COLLECTION AND MANAGEMENT (WALES) ACT 2016

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 4 – Investigatory Powers of WRA

Sections 90-91 – Requiring information and documents in relation to a group of undertakings or to a partnership

93. [Section 90](#) provides arrangements for the issue of third party notices where the WRA wishes to check the tax position of either a parent undertaking or any of its subsidiary undertakings (for example either a parent company and any of its subsidiary companies; the detailed meaning of these terms being found in sections 1161-1162 of, and Schedule 7 to, the [Companies Act 2006 \(c.46\)](#)).
94. Where WRA issues a notice to any person for the purposes of checking the tax position of a parent undertaking or any one of the subsidiary undertakings, subsection (2) applies. In these circumstances, WRA may issue a notice if it has the agreement of the parent undertaking, or approval of the tribunal, i.e. the agreement of the parent is treated as also covering any subsidiary.
95. Where WRA issues a notice to the parent undertaking for the purposes of checking the tax position of a subsidiary undertaking, subsection (3) applies. In these circumstances, WRA must obtain the tribunal's approval before issuing the notice. In effect a third party notice issued to a parent in relation to a subsidiary is treated as if it is a taxpayer notice given that the parent controls the subsidiary.
96. The changes made by this section do not apply where WRA issues a notice to one subsidiary undertaking for the purposes of checking the tax position of a fellow subsidiary undertaking. In these cases, the notice must be issued in accordance with the procedure set out in section 87. But where WRA issues a notice to one subsidiary undertaking for the purposes of checking the tax position of the parent undertaking (and any other subsidiaries) that is a case to which subsection (2).
97. [Section 91](#) provides for arrangements for the issue of a third party notice to someone other than one of the partners where the WRA wishes to check the tax position of two or more persons in a business partnership. Notices issued under this section should: state its purpose; and, in normal circumstances include the name of the partnership to whom the notice applies and be copied to at least one of the partners. Where tribunal approval is being sought to issue a notice, the tribunal may disapply the requirement to name the taxpayer and issue a copy of the notice if it is satisfied that WRA has grounds to believe that complying with these requirements might negatively affect tax assessment or collection.