



# 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, or
  - (c) a false or inflated claim to repayment of devolved tax.
- (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—
  - (a) discovered the inaccuracy at some later time, and

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*Status: This is the original version (as it was originally enacted).*

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(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.

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

(1) The penalty for a deliberate inaccuracy is 100% of the potential lost revenue.

(2) The penalty for a careless inaccuracy is 30% of the potential lost revenue.

### **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.

(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.

### **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, or
  - (c) a false or inflated claim to repayment of devolved tax.
- (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 100% of the potential lost revenue.