

Statutory Document No. 2021/0144



Income Tax Act 1970

INCOME TAX (COMMON REPORTING STANDARD) (AMENDMENT) REGULATIONS 2021

Approved by Tynwald: 16 June 2021

Coming into Operation in accordance with article 2

The Treasury makes the following Regulations under section 104D of the Income Tax Act 1970.

1 Title

This Order is the Income Tax (Common Reporting Standard) (Amendment) Regulations 2021.

2 Commencement and effect

If approved by Tynwald¹, these Regulations come into operation on the day after they are approved.

3 Amendment of the Income Tax (Common Reporting Standard) Regulations 2015

(1) The Income Tax (Common Reporting Standard) Regulations 2015² are amended as follows.

(2) For regulation 12, substitute —

12 Penalties for Failure to Comply with Regulations

(1) If a person fails to comply with any obligation under these Regulations, the Assessor shall impose a penalty of up to £300 per reportable account.

(2) If the failure to comply relates to the submission of a return under regulation 7(1), the person will be subject to a penalty of £300 only. For the purpose of Regulation 13(2) the date the penalty was imposed will be deemed to be the day after the return should have been submitted. **12**.

¹ Tynwald approval is required by section 104D(5) of the Income Tax Act 1970.

² SD 2015/0323.

- (3) For regulation 13, substitute —

13 Daily Default Penalty

- (1) If —

- (a) a penalty under regulation 12(1) is imposed; and
- (b) the failure in question continues after the person has been notified of the penalty;

the person may be liable to a further penalty, for each subsequent day on which the failure continues, of an amount not exceeding £60 for each such day.

- (2) If a penalty under regulation 12(2) is imposed the person may be liable to a further penalty, from the date the penalty was issued under regulation 12(2) and for each subsequent day on which a return is not submitted, of an amount not exceeding £60 for each such day. **22**.

- (4) For regulation 14 substitute —

14 Significant Non-Compliance

- (1) The Assessor shall impose the higher of either —

- (a) a penalty of up to £10,000; or
- (b) a penalty of up to double the amount of the penalty charged under regulation 12,

if the Assessor determines a person to be significantly non-compliant.

- (2) The penalty under this regulation is additional to any penalty under regulations 12 and 13.

- (3) For the purposes of this regulation significantly non-compliant includes —

- (a) intentionally failing to comply with any requirement of these Regulations;
- (b) providing information or producing any document which is false or misleading in a material particular; or
- (c) discovering an inaccuracy and failing to take reasonable steps to inform the Assessor. **22**.

- (5) After regulation 16(2) insert —

- 3**(3) The Assessor may adjust any penalty imposed down, without the necessity of an appeal. **22**.

- (6) In regulation 18(1)(b) for “17” substitute **16** **22**.

- (7) In regulation 20(2)(a) for “15” substitute **16** **22**.

- (8) After regulation 20A, insert —

20B Penalties for Failure to Submit a Return

- (1) A person commits an offence if they fail to make a return under regulation 7(1) within 6 months of the due date.
- (2) A person who commits an offence under paragraph (1) is liable on summary conviction to a fine not exceeding level 3 on the standard scale
- (3) In determining whether a person has complied with the requirements of regulation 20B(1), a court must have regard to any guidance issued or approved by the Assessor. **22**.

MADE 21ST APRIL 2021

A L CANNAN
Minister for the Treasury

*EXPLANATORY NOTE**(This note is not part of the Regulations)*

These Regulations are made under section 104D of the Income Tax Act 1970. They amend the Income Tax (Common Reporting Standard) Regulations 2015 [SD 2015/0323] which give effect to the arrangements reached between the Government of the Isle of Man and other jurisdictions to improve international tax compliance.

The amendments relate to the provision for penalties for breach of obligations under the Income Tax (Common Reporting Standard) Regulations 2015.