1 Large businesses: notification of uncertain tax treatment

(1) Schedule 1 makes provision, for the purposes of corporation tax, income tax and value added tax, requiring certain companies and partnerships to notify HMRC if an amount returned to HMRC is uncertain by virtue of the tax treatment applied in arriving at the amount (and other conditions are met).

(2) Schedule 1 applies in relation to relevant returns (within the meaning of the Schedule) that are required to be made on or after 1 April 2022.

(3) In this section "HMRC" means Her Majesty's Revenue and Customs.

SCHEDULE 1

Section 1

LARGE BUSINESSES: NOTIFICATION OF UNCERTAIN TAX TREATMENT

PART 1

KEY DEFINITIONS

1 This Part applies for the purposes of this Schedule.

"Company" and "qualifying company"

2 (1) "Company" means a body corporate (wherever incorporated) but does not include—

(a) a limited liability partnership that is a partnership for the purposes of this Schedule (see paragraph 4), or

(b) an open-ended investment company (within the meaning of section 613 of CTA 2010).

(2) A company is a "qualifying company" in any financial year if, in the previous financial year, the company had either or both of the following—

(a) relevant UK turnover of more than £200 million;

(b) a relevant UK balance sheet total of more than £2 billion.

(3) If the company was not a member of a group at the end of the previous financial year—

(a) "relevant UK turnover" means the company's UK turnover, and

(b) "relevant UK balance sheet total" means the company's UK balance sheet total.

(4) If the company was a member of a group at the end of the previous financial year—

(a) "relevant UK turnover" means the aggregate UK turnover of the company ("C") and each other company that was—

(i) a member of the same group as C at the end of C's previous financial year, and

(ii) within the charge to corporation tax on income at any time during C's previous financial year, and

(b) "relevant UK balance sheet total" means the aggregate UK balance sheet totals of C and each other such company.

(5) If the financial year of a company that was a member of the same group as C does not end on the same day as C's previous financial year, the figures for that company that are to be included in the aggregate figures are the figures for that company's financial year ending last before the end of C's previous financial year.

(6) The Treasury may by regulations provide that a company of a description specified in the regulations is not a qualifying company for the purposes of this Schedule (or any such purpose specified in the regulations).

"Group"

3 (1) A company is a member of a group if—

(a) another company is its 51% subsidiary, or

(b) it is a 51% subsidiary of another company.

(2) Two companies are members of the same group if—

(a) one is a 51% subsidiary of the other, or

(b) both are 51% subsidiaries of another company.

(3) Sub-paragraph (4) applies where—

(a) a company ("S") is a 51% subsidiary of another company ("M"),

(b) M manages S in the ordinary course of carrying on a business of providing investment management services, and

(c) the management by M of S is not coordinated to any extent with the management by any person of any other company.

(4) For the purposes of sub-paragraphs (1) and (2)—

(a) disregard S, and

(b) disregard any 51% subsidiary of S.

(5) In sub-paragraph (3), "investment management services" has the same meaning as in Chapter 5E of Part 13 of ITA 2007 (see section 809EZE of that Act).

(6) Chapter 3 of Part 24 of CTA 2010 (meaning of 51% subsidiary) applies for the purposes of this Schedule as it applies for the purposes of the Corporation Tax Acts.

"Partnership" and "qualifying partnership"

4 (1) "Partnership" means a body of any of the following descriptions that is carrying on a trade, business or profession with a view to profit—

(a) a partnership within the meaning of the Partnership Act 1890;

(b) a limited partnership registered under the Limited Partnerships Act 1907, other than one which is a collective investment scheme;

(c) a limited liability partnership incorporated in the United Kingdom;

(d) a firm or entity of a similar character to any of those mentioned in paragraphs (a) to (c) formed under the law of a territory outside the United Kingdom.

(2) A partnership is a "qualifying partnership" in any financial year if, in the previous financial year, the partnership had either or both of the following—

(a) UK turnover of more than £200 million;

(b) a UK balance sheet total of more than £2 billion.

(3) The Treasury may by regulations provide that a partnership of a description specified in the regulations is not a qualifying partnership for the purposes of this Schedule (or any such purpose specified in the regulations).

(4) In this paragraph "collective investment scheme" has the same meaning as in Part 17 of the Financial Services and Markets Act 2000 (see section 235 of that Act).

"Relevant tax" and "relevant return"

5 (1) A tax that is listed in the first column of the following table is a "relevant tax" and a return which appears in the corresponding entry in the second column of the table is, in relation to the relevant tax concerned, a "relevant return".

Tax to which return relates	*Return*
Corporation tax	Company tax return under paragraph 3 of Schedule 18 to FA 1998
Income tax or corporation tax	Partnership return within the meaning of TMA 1970
Income tax	Return under PAYE regulations
VAT	VAT return under regulations under paragraph 2 of Schedule 11 to VATA 1994

(2) In this Schedule, "corporation tax" includes any amount chargeable as if it were corporation tax, or treated as corporation tax, except for—

(a) an amount chargeable under section 269DA of CTA 2010 (surcharge on banking companies);

(b) an amount chargeable under Part 9A of TIOPA 2010 (controlled foreign companies);

(c) an amount of the bank levy (see Schedule 19 to FA 2011).

(3) In this Schedule, "VAT" means value added tax charged in accordance with VATA 1994.

(4) A relevant return is delivered to HMRC "for" a financial year if it relates to—

(a) the whole of that financial year, or

(b) a part of that financial year.

"Financial year"

6 (1) "Financial year"—

(a) in relation to a company which is (or is treated as if it is) formed and registered under the Companies Act 2006, has the meaning given by that Act (see section 390 of the Companies Act 2006);

(b) in relation to any other company or a non-UK resident partnership, means any period in respect of which a profit and loss account for the company's or (as the case may be) the partnership's undertaking is required to be made up (whether by its constitution or by the law under which it is formed), whether that period is a year or not;

(c) in relation to a UK resident partnership, means any period of account for which its representative partner has provided, or is required to provide, a partnership statement under section 12AB of TMA 1970.

(2) In this paragraph—

"UK resident partnership" means a partnership which is resident in the United Kingdom;

"non-UK resident partnership" means a partnership which is not resident in the United Kingdom;

"representative partner", in relation to a UK resident partnership, means the partner who is required by a notice served under or by

virtue of section 12AA(2) or (3) of TMA 1970 to make and deliver returns to an officer of Revenue and Customs.

(3) For the purposes of this paragraph a partnership is resident in the territory in which the control and management of the activities of the partnership take place.

"Turnover" and "balance sheet total"

7 (1) "Turnover"—

(a) in relation to a company which is (or is treated as if it is) formed and registered under the Companies Act 2006, has the same meaning as in Part 15 of that Act (see section 474 of the Companies Act 2006);

(b) in relation to any other company or a partnership, has a corresponding meaning.

(2) "UK turnover"—

(a) in relation to a UK resident company, means all of its turnover;

(b) in relation to a non-UK resident company, means so much of its turnover as, on a just and reasonable apportionment, is attributable to the activities in respect of which the company is within the charge to corporation tax on income;

(c) in relation to a UK resident partnership, means all of its turnover;

(d) in relation to a non-UK resident partnership, means so much of its turnover as, on a just and reasonable apportionment, is attributable to any permanent establishment that it has in the United Kingdom.

(3) "Balance sheet total", in relation to a company or partnership and a financial year, means the aggregate of the amounts shown as assets in its balance sheet at the end of the financial year.

(4) "UK balance sheet total"—

(a) in relation to a UK resident company, means its balance sheet total;

(b) in relation to a non-UK resident company, means so much of its balance sheet total as, on a just and reasonable apportionment, is attributable to the activities in respect of which the company is within the charge to corporation tax on income;

(c) in relation to a UK resident partnership, means its balance sheet total;

(d) in relation to a non-UK resident partnership, means so much of its balance sheet total as, on a just and reasonable apportionment, is attributable to any permanent establishment that it has in the United Kingdom.

(5) In this paragraph—

"UK resident company" and "non-UK resident company" have the same meaning as in the Corporation Tax Acts;

"UK resident partnership" means a partnership which is resident in the United Kingdom;

"non-UK resident partnership" means a partnership which is not resident in the United Kingdom.

(6) For the purposes of this paragraph—

(a) a partnership is resident in the territory in which the control and management of the activities of the partnership take place;

(b) a non-UK resident partnership is to be regarded as having a permanent establishment in the United Kingdom if, were it a company within the meaning of the Corporation Tax Acts, the non-UK resident partnership would have a permanent establishment in the United Kingdom by virtue of Chapter 2 of Part 24 of CTA 2010.

PART 2

REQUIREMENT TO NOTIFY HMRC OF UNCERTAIN TAX TREATMENT

Requirement to notify

8 (1) A company or partnership that, in a financial year, is a qualifying company or a qualifying partnership must notify HMRC if a relevant return delivered to HMRC by or in respect of the company or partnership for that year includes an amount (including nil) brought into account for the purposes of a relevant tax that is an uncertain amount (see paragraph 9).

(2) The notification requirement in sub-paragraph (1)—

(a) applies separately in relation to each relevant tax;

(b) applies only if the threshold test in paragraph 10(2) is met;

(c) is subject to the general exemption in paragraph 16;

(d) is subject to the specific exemptions in paragraphs 17 to 19.

(3) A notification under sub-paragraph (1) must be given—

(a) where the relevant return is an annual return, on or before the date on which the return is required to be made;

(b) where the relevant return is not an annual return, on or before the date on which the last relevant return for the financial year in question is required to be made.

(4) Where, in relation to a relevant tax, a company or partnership is required by sub-paragraph (1) to notify HMRC about more than one amount that is included in a relevant return delivered for the financial year in question, a single notification must be given that covers each such amount.

(5) A notification under sub-paragraph (1) must be given by such means, and in such form, and include such information, as is specified in a notice published by HMRC.

(6) References in this Schedule to a return being required to be made include a requirement to file, deliver or submit a return.

Uncertain tax treatment

9 (1) For the purposes of this Part, an amount brought into account by a company or partnership for the purposes of a relevant tax is an "uncertain amount" if one or more of sub-paragraphs (2) to (4) apply in relation to the amount.

(2) This sub-paragraph applies if provision has been recognised in the accounts of the company or partnership, in accordance with generally accepted accounting practice, to reflect the probability that a different tax treatment will be applied to the transaction to which the amount relates.

(3) This sub-paragraph applies if the tax treatment applied in arriving at the amount relies (wholly or in part) on an interpretation or application of the

law that is not in accordance with the way in which it is known that HMRC would interpret or apply the law.

(4) This sub-paragraph applies if it is reasonable to conclude that, if a tribunal or court were to consider the tax treatment applied in arriving at the amount, there is a substantial possibility that the treatment would be found to be incorrect in one or more material respects.

(5) For the purposes of sub-paragraph (2), "generally accepted accounting practice" has the same meaning as in the Corporation Tax Acts (see section 1127 of CTA 2010).

(6) For the purposes of sub-paragraph (3), HMRC's position on a matter is taken to be "known" by a company or partnership if it is apparent from—

(a) guidance, statements or other material of HMRC that is of general application and in the public domain, or

(b) dealings with HMRC by or in respect of the company or partnership (whether or not they concern the amount in question or the transaction to which the amount relates).

(7) For the purposes of sub-paragraph (4), it is immaterial whether or not HMRC or anyone else is likely to challenge the amount or its tax treatment.

Threshold test

10 (1) This paragraph and paragraphs 11 to 15 apply for determining, in relation to an uncertain amount included in a relevant return, whether the threshold test is met (see paragraph 8(2)(b)).

(2) The threshold test is met if it is reasonable to conclude that, by bringing the uncertain amount into account for the purposes of a relevant tax—

(a) the company or partnership would obtain a tax advantage it would not obtain if the uncertain amount were the expected amount, and

(b) in the relevant period, the aggregate value of all such tax advantages that would be obtained by bringing the uncertain amount, and any related uncertain amounts, into account is more than £5 million.

(3) For these purposes—

(a) "tax advantage"—

(i) in relation to income tax or corporation tax, has the meaning given by paragraph 11;

(ii) in relation to VAT, has the meaning given by paragraph 12;

(b) the "expected amount", in relation to an uncertain amount, is determined in accordance with paragraph 13;

(c) the "relevant period" is determined in accordance with paragraph 14;

(d) whether two or more uncertain amounts are "related" is determined in accordance with paragraph 15.

(4) The Treasury may by regulations amend sub-paragraph (2)(b) by substituting a different sum for the sum that is for the time being specified.

"Tax advantage" in relation to income tax or corporation tax

11 For the purposes of this Part, a "tax advantage" in relation to income tax or corporation tax includes—

(a) a relief or increased relief from tax;
(b) repayment or increased repayment of tax;
(c) avoidance or reduction of a charge to tax or an assessment to tax;
(d) avoidance of a possible assessment to tax;
(e) deferral of a payment of tax or advancement of a repayment of tax;
(f) avoidance of an obligation to deduct or account for tax.

"Tax advantage" in relation to VAT

12 (1) For the purposes of this Part, a company or partnership obtains a tax advantage in relation to VAT if—

(a) in a prescribed accounting period, the amount by which the output tax accounted for by the company or partnership is less, or is accounted for later, than would otherwise be the case;
(b) the company or partnership obtains a VAT credit when it would otherwise not do so, or obtains a larger credit or obtains a credit earlier than would otherwise be the case;
(c) in a case where the company or partnership recovers input tax as a recipient of a supply before the supplier accounts for the output tax, the period between the time when the input tax is recovered and the time when the output tax is accounted for is greater than would otherwise be the case;
(d) in a prescribed accounting period, the amount of the company's or partnership's non-deductible tax is less than it otherwise would be;
(e) the company or partnership avoids an obligation to account for VAT.

(2) In sub-paragraph (1)(d) "non-deductible tax", in relation to a company or partnership, means—

(a) input tax for which the company or partnership is not entitled to credit under section 25 of VATA 1994;
(b) any VAT incurred by the company or partnership which is not input tax and in respect of which the company or partnership is not entitled to a refund from the Commissioners by virtue of any provision of VATA 1994.

(3) For the purposes of sub-paragraph (2)(b), the VAT "incurred" by a company or partnership is—

(a) VAT on the supply to the company or partnership of any goods or services;
(b) VAT paid or payable by the company or partnership on the importation of any goods.

(4) Terms used in this paragraph which are defined in section 96 of VATA 1994 have the meanings given by that section.

The "expected amount"

13 (1) For the purposes of the threshold test in paragraph 10(2), the "expected amount", in relation to an uncertain amount, is the amount that it is reasonable to conclude the uncertain amount would be were the tax treatment applied in arriving at the amount—

(a) where the uncertain amount is uncertain by virtue of paragraph 9(2), the different tax treatment for which provision has been recognised in the accounts of the company or partnership;

(b) where the uncertain amount is uncertain by virtue of paragraph 9(3), the tax treatment that is wholly in accordance with HMRC's known interpretation and application of the law;

(c) where the uncertain amount is uncertain by virtue of paragraph 9(4), the tax treatment that the court or tribunal (having found the treatment actually applied to be incorrect) would find to be correct.

(2) Where sub-paragraph (1) gives more than one expected amount (because the uncertain amount is uncertain by virtue of more than one of sub-paragraphs (2) to (4) of paragraph 9), the threshold test in paragraph 10(2) is to be applied by reference to whichever of those expected amounts would produce the largest tax advantage for the purposes of the test.

(3) Paragraph 9(6) applies for the purposes of sub-paragraph (1)(b) as it applies for the purposes of paragraph 9(3).

Relevant period

14 (1) For the purposes of the threshold test in paragraph 10(2), the "relevant period", in relation to an uncertain amount included in a relevant return, is the period of 12 months ending with—

(a) where the relevant return is a company tax return under paragraph 3 of Schedule 18 to FA 1998, or a partnership return within the meaning of TMA 1970, the last day of the financial year for which the return is delivered to HMRC (see paragraph 5(4));

(b) where the relevant return is a return under PAYE regulations, the last day of the last period for which the return is required to be made falling wholly within the financial year for which the return is delivered to HMRC;

(c) where the relevant return is a VAT return under regulations under paragraph 2 of Schedule 11 to VATA 1994, the last day of the last prescribed accounting period falling wholly within the financial year for which the return is delivered to HMRC.

(2) In sub-paragraph (1)(c), "prescribed accounting period" has the meaning given by section 25(1) of VATA 1994.

Related amounts

15 (1) For the purposes of the threshold test in paragraph 10(2), two uncertain amounts are related if—

(a) both amounts are included in the same relevant return, or a relevant return of the same description delivered to HMRC for the same financial year (see paragraph 5(4)),

(b) both amounts relate to the same relevant tax, and

(c) the tax treatment applied in arriving at one amount is substantially the same as the tax treatment applied in arriving at the other amount.

(2) Where the relevant return is a return under PAYE regulations, national insurance contributions are to be treated as income tax for the purposes of this paragraph (and accordingly, for the purposes of determining the aggregate value of the tax advantages mentioned in paragraph 10(2)(b)).

General exemption

16 (1) A company or partnership is not required by paragraph 8(1) to notify HMRC about an amount included in a relevant return if it is reasonable for the company or partnership to conclude that HMRC already have available to them all, or substantially all, of the information relating to that amount that would have been included in the notification if it had been required to be given.

(2) For these purposes, information is to be taken to be available to HMRC if it has become available by any means, including by virtue of—

(a) information provided under any of the following provisions—

(i) Schedule 11A to VATA 1994 (disclosure of avoidance schemes);

(ii) Part 7 of FA 2004 (disclosure of tax avoidance schemes);

(iii) Schedule 17 to FA 2009 (international movement of capital);

(iv) Schedule 17 to F(No.2)A 2017 (disclosure of tax avoidance schemes: VAT and other indirect taxes);

(v) regulations under section 84 of FA 2019 (international tax enforcement: disclosable arrangements), or

(b) dealings with HMRC by or in respect of the company or partnership.

(3) The Treasury may by regulations amend sub-paragraph (2)(a) to add to the provisions mentioned or to remove or modify a provision mentioned.

Exemption for certain group transactions

17 A company is not required by paragraph 8(1) to notify HMRC about an uncertain amount included in a relevant return if—

(a) the relevant tax for the purposes of which the amount is brought into account is corporation tax,

(b) the amount relates to a transaction between the company and one or more other companies at a time when all of the companies are members of the same group (see paragraph 3), and

(c) the net effect of the transaction is that the value of the tax advantages (if any) that would be obtained by the group, taken as a whole, does not exceed the sum for the time being specified in paragraph 10(2)(b).

Exemption for profits attributable to non-UK resident company

18 A company is not required by paragraph 8(1) to notify HMRC about an uncertain amount included in a relevant return if—

(a) the amount represents an attribution of profits under Chapter 4 of Part 2 of CTA 2009 (UK permanent establishments of non-UK resident companies), and

(b) the amount is uncertain only by virtue of paragraph 9(4) (substantial possibility tax treatment is incorrect) (and not also by virtue of one or both of sub-paragraphs (2) and (3) of paragraph 9).

Transfer pricing exemption

19 (1) A company or partnership is not required by paragraph 8(1) to notify HMRC about an uncertain amount included in a relevant return if—

(a) the amount falls to be adjusted for tax purposes under Part 4 of TIOPA 2010 (transfer pricing), or is within that Part without falling to be so adjusted (see sub-paragraph (2)),

(b) the amount is uncertain only by virtue of paragraph 9(4) (substantial possibility tax treatment is incorrect) (and not also by virtue of one or both of sub-paragraphs (2) and (3) of paragraph 9), and

(c) the amount is uncertain by virtue of paragraph 9(4) only by reason of a tax treatment that concerns the choice or application of a transfer pricing method.

(2) For the purposes of sub-paragraph (1), an amount is within Part 4 of TIOPA 2010 without falling to be adjusted under it in a case where—

(a) the condition in section 147(1)(a) of TIOPA is met,

(b) the participation condition is met (see sub-paragraph (3)), and

(c) the actual provision does not differ from the arm's length provision.

(3) Section 148 of TIOPA 2010 (when the participation condition is met) applies for the purposes of sub-paragraph (2)(b) as it applies for the purposes of section 147(1)(b) of TIOPA 2010.

(4) In this paragraph, "the actual provision" and "the arm's length provision" have the same meanings as in Part 4 of TIOPA 2010 (see sections 149 and 151 of that Act).

PART 3

PENALTIES

Penalty for non-compliance with paragraph 8

20 (1) A company or partnership that is required by paragraph 8 to give a notification to HMRC is liable to a penalty if it fails to give the notification in accordance with that paragraph.

(2) The amount of the penalty under sub-paragraph (1) is—

(a) for a first failure in respect of a relevant tax, £5,000;

(b) for a second failure in respect of a relevant tax, £25,000;

(c) for a further failure in respect of a relevant tax, £50,000.

(3) In this Part, a "notification penalty" is a penalty under sub-paragraph (1).

First, second and further failures

21 (1) This paragraph applies for determining whether a company's or partnership's failure to give a notification in accordance with paragraph 8 is, in respect of a relevant tax—

(a) a first failure,

(b) a second failure, or

(c) a further failure.

(2) The failure is a first failure in respect of a relevant tax if, in the applicable three year period, the company or partnership has not been assessed to a notification penalty in respect of the same relevant tax.

(3) The failure is a second failure in respect of a relevant tax if, in the applicable three year period, the company or partnership—

(a) has been assessed to a notification penalty for a first failure in respect of the same relevant tax, but

(b) has not been assessed to a notification penalty for a second or further failure in respect of the same relevant tax.

(4) The failure is a further failure in respect of a relevant tax if, in the applicable three year period, the company or partnership has been assessed to a notification penalty for a second or further failure in respect of the same relevant tax.

(5) The "applicable three year period" is the period comprising the three financial years of the company or partnership immediately preceding the financial year for which the relevant return, in relation to which the notification was required, was delivered to HMRC (see paragraph 5(4)).

Reasonable excuse

22 (1) Liability to a notification penalty does not arise if the person who would otherwise be liable to the penalty satisfies HMRC or (on an appeal notified to the tribunal) the tribunal that the person had a reasonable excuse for that failure.

(2) For the purposes of this paragraph—

(a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person's control;

(b) where the person relies on another person to do anything, that cannot be a reasonable excuse unless the first person took reasonable care to avoid the failure;

(c) where the person had a reasonable excuse for the failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

Assessment of penalties

23 (1) Where a person becomes liable to a notification penalty—

(a) HMRC may assess the penalty, and

(b) if they do so, HMRC must notify the person of the assessment.

(2) An assessment of a notification penalty may not be made—

(a) more than 6 months after the failure to give the notification in accordance with paragraph 8 first comes to the attention of an officer of Revenue and Customs, or

(b) more than 6 years after the end of the financial year in which the notification should have been given.

Appeal

24 (1) A person may appeal against—

(a) a decision of HMRC that a notification penalty is payable by the person, or

(b) a decision of HMRC as to the amount of a notification penalty.

(2) Notice of an appeal must be given—

(a) in writing, and

(b) before the end of the period of 30 days beginning with the date on which the notification under paragraph 23(1)(b) was issued.

(3) Notice of an appeal must state the grounds of appeal.

(4) On an appeal under sub-paragraph (1)(a) that is notified to the tribunal, the tribunal may confirm or cancel the decision.

(5) On an appeal under sub-paragraph (1)(b) that is notified to the tribunal, the tribunal may—

(a) affirm HMRC's decision, or

(b) substitute for that decision another decision that HMRC had power to make.

(6) Subject to this paragraph and paragraph 25, the provisions of Part 5 of TMA 1970 relating to appeals have effect in relation to appeals under this Schedule as they have effect in relation to an appeal against an assessment to income tax.

Enforcement

25 (1) A notification penalty must be paid—

(a) before the end of the period of 30 days beginning with the date on which the notification under paragraph 23(1)(b) was issued, or

(b) if a notice of appeal is given, before the end of the period of 30 days beginning with the day on which the appeal is determined or withdrawn.

(2) A notification penalty may be enforced—

(a) where the penalty is payable by a company, as if it were corporation tax charged in an assessment and due and payable;

(b) where the penalty is payable by a partnership, as if it were income tax charged in an assessment and due and payable.

Power to change amount of penalty

26 (1) If it appears to the Treasury that there has been a change in the value of money since the last relevant date, they may by regulations substitute for the sum for the time being specified in paragraph (a), (b) or (c) of paragraph 20(2) (amount of a first, second or further penalty in respect of a relevant tax) such other sum as appears to them to be justified by the change.

(2) In sub-paragraph (1) "relevant date" means—

(a) the date on which this Act is passed, and

(b) each date on which the power conferred by sub-paragraph (1) has been exercised in relation to the amount in question.

(3) Regulations under this paragraph do not apply to a failure that occurs in respect of a relevant return that is required to be made (see paragraph 8(6)) before the date on which the regulations come into force.

"Tribunal"

27 In this Part "tribunal" means the First-tier Tribunal or, where determined by or under the Tribunal Procedure Rules, the Upper Tribunal.

PART 4

SUPPLEMENTARY

Regulations

28 (1) Regulations under this Schedule are to be made by statutory instrument.

(2) Subject to sub-paragraph (3), a statutory instrument containing regulations under this Schedule is subject to annulment in pursuance of a resolution of the House of Commons.

(3) A statutory instrument containing regulations under paragraph 10(4), which change the sum for the time being specified in paragraph 10(2)(b) by more than is necessary to reflect changes in the value of money, may not be made unless a draft of the instrument has been laid before and approved by a resolution of the House of Commons.

Application of provisions of TMA 1970

29 Subject to the provisions of this Schedule, the following provisions of TMA 1970 apply for the purposes of this Schedule as they apply for the purposes of the Taxes Acts—

(a) section 108 (responsibility of company officers),

(b) section 114 (want of form), and

(c) section 115 (delivery and service of documents).

Interpretation

30 In this Schedule—

"the charge to corporation tax on income" has the same meaning as in CTA 2009 (see section 2(3) of that Act);

"HMRC" means Her Majesty's Revenue and Customs;

"transaction" includes arrangements, agreements and understandings (whether or not they are, or are intended to be, legally enforceable).

PART 5

CONSEQUENTIAL AMENDMENTS

31 In Schedule 14 to F(No.2)A 2017 (digital reporting and record-keeping for income tax etc.), at the end insert—

"FA 2022

50 (1) Schedule 1 to FA 2022 (large businesses: notification of uncertain tax treatment) is amended as follows.

(2) In paragraph 6(1)(c) (definition of "financial year" in relation to a UK resident partnership), for "under section 12AB" substitute "within the meaning".

(3) In paragraph 6(2), in the definition of "representative partner"—

(a) the words from "the partner" to the end of the definition become paragraph (a) of the definition;

(b) at the end of that paragraph (a) insert ", or";

(c) after that paragraph insert—

"(b) the nominated partner within the meaning of paragraph 5 of Schedule A1 to TMA 1970.""

32 The reference in section 61(6) of F(No.2)A 2017 (commencement) to Schedule 14 to that Act is to be read as a reference to that Schedule as amended by paragraph 31.