

No.

**CORPORATION TAX**

The International Controlled Transaction Reporting Regulations  
2026

Made - - - -

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Laid before the House of Commons

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Coming into force

The Commissioners for His Majesty's Revenue and Customs make these Regulations in exercise of the powers conferred by section 48(1) and (2) of the Finance Act 2026(a).

**PART 1**  
Introductory

**Citation, commencement and application**

1.—(1) These Regulations may be cited as the International Controlled Transaction Reporting Regulations 2026 and come into force on [\*\*\*].

(2) These Regulations apply to accounting periods, or underwriting years, beginning on or after 1st January 2027.

**Interpretation**

2.—(1) In these Regulations—

“accounting period” is to be read in accordance with Chapter 2 of Part 2 of CTA 2009;

“the Commissioners” means the Commissioners for His Majesty's Revenue and Customs;

“CTA 2009” means the Corporation Tax Act 2009(b);

“FA 2026” means the Finance Act 2026(c);

“managing agent” has the same meaning as in regulation 2 of the Lloyd's Underwriters (Tax) Regulations 2005(d);

“specified information” is information of a description specified in regulation 10 ;

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(a) 2026 c. 11.  
(b) 2009 c. 4.  
(c) 2026 c. 11.  
(d) S.I. 2005/3338.

“specified international controlled transaction” is an international controlled transaction specified as a specified international controlled transaction in regulation 7 ;

“TIOPA” means the Taxation (International and Other Provisions) Act 2010(a);

“the tribunal” means the First-tier Tribunal, or, where determined by or under Tribunal Procedural Rules, the Upper Tribunal;

“underwriting year” means the calendar year.

(2) In these Regulations —

- (a) “partnership” includes a limited liability partnership;
- (b) “transaction” includes a single transaction, or series of transactions.

(3) Other expressions used in these Regulations, have the same meaning as in the—

- (a) CTA 2009;
- (b) Corporation Tax Act 2010(b);
- (c) TIOPA;
- (d) OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022 published by the OECD on 20th January 2022 as interpreted in accordance with, or supplemented by, such documents as may be published by the OECD from time to time as are relevant to the application of those guidelines(c);
- (e) 2010 Report on the Attribution of Profits to Permanent Establishments published by the OECD on 22 July 2010(d).

## Notices

3. Where the Commissioners publish a notice, such power may be exercised—

- (a) either in relation to all cases to which the power extends, or in relation to those cases subject to specified exceptions, or in relation to any specified case or description of a case, or
- (b) so as to make different provision for different purposes.

## Commissioners’ directions

4.—(1) The Commissioners may direct a reporting entity to provide to an officer of Revenue and Customs—

- (a) specified information, and
- (b) such copies of relevant books, documents or other records as may be listed in the direction for the purposes of determining whether specified information is accurate.

(2) A direction given under paragraph (1) may be specific or general.

(3) The reporting entity must comply with the direction—

- (a) within the period, and
- (b) by the time, and in the form and manner,

as may be specified in the direction.

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(a) 2010 c. 8.

(b) 2010 c. 4.

(c) The OECD Transfer Pricing Guidelines are available at [www.oecd.org/content/dam/oecd/en/publications/reports/2022/01/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2022f](http://www.oecd.org/content/dam/oecd/en/publications/reports/2022/01/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2022f).

(d) The 2010 Report on the Attribution of Profits to Permanent Establishments is available at [www.oecd.org/en/publication/s/2010-report-on-the-attribution-of-profits-to-permanent-establishments\\_2f94c049-en.html](http://www.oecd.org/en/publication/s/2010-report-on-the-attribution-of-profits-to-permanent-establishments_2f94c049-en.html)

## PART 2

### Reporting requirements in relation to specified international controlled transactions

#### Requirement to provide specified information

5.—(1) Where within an accounting period or underwriting year the threshold requirement specified in a notice published by the Commissioners is met, the reporting entity must provide the specified information in connection with all specified international controlled transactions within that accounting period or underwriting year to an officer of Revenue and Customs.

(2) Paragraph (1) does not apply—

- (a) to a case specified in a notice published by the Commissioners, or
- (b) where specified information in relation to a specified international controlled transaction has been provided to an officer of Revenue and Customs by another reporting entity.

(3) Where the reporting entity is a managing agent, it must provide the specified information required by paragraph (1) with respect to each specified international controlled transaction relating to—

- (a) the managing agent, or
- (b) each member of each syndicate that it manages.

(4) A reporting entity may amend the specified information provided under this regulation in accordance with the procedure set out in a notice published by the Commissioners.

(5) Where a transaction is an international controlled transaction by virtue of meeting—

- (a) both the transfer pricing condition and the permanent establishment condition, the reporting entity must provide the specified information with respect to each specified international controlled transaction in relation to each condition;
- (b) either the transfer pricing condition or the permanent establishment condition, the reporting entity must provide the specified information with respect to that condition.

#### Form and manner

6.—(1) The specified information must be provided—

- (a) in the form and manner,
- (b) on or after the date, and
- (c) on or before the submission deadline,

identified in a notice published by the Commissioners.

(2) Specified information provided to an officer of Revenue and Customs by a reporting entity must be accurate.

(3) Information purporting to be specified information provided on behalf of a reporting entity is presumed to have been provided by that entity, unless the entity proves that the information was provided without the entity's authority.

(4) Specified information relating to one or more specified international controlled transactions must be aggregated and provided to an officer of Revenue and Customs in a single entry in accordance with a notice published by the Commissioners.

(5) A reporting entity may amend the specified information provided under this regulation in accordance with the procedure, and before the amendment deadline, set out in a notice published by the Commissioners.

### Specification of specified international controlled transaction

7.—(1) An international controlled transaction(a) is a specified international controlled transaction, unless it—

- (a) is a transaction to which an advance pricing agreement has effect in accordance with Part 5 of TIOPA(b) where the question to be determined in accordance with the advance pricing agreement relates to a matter described in—
  - (i) section 218(2)(a) to (d), or (f), of TIOPA, or
  - (ii) section 218(2)(e) of TIOPA where the advance pricing agreement specifies the transfer pricing method to be applied to the international controlled transaction;
- (b) relates to a person which is exempt from the application of section 147(3) and (5) of TIOPA in accordance with section 165 or 166 (subject to section 167 to 168) of TIOPA(c);
- (c) is a transaction which is an exempt distribution(d) by virtue of Part 9A of the CTA 2009(e).

(2) Where an international controlled transaction arises from both the transfer pricing condition and the permanent establishment condition, the exemption in paragraph 1(a) applies only to those matters to which the advance pricing agreement has effect.

### Specification of a reporting entity where a transaction meets the transfer pricing condition

8.—(1) Where, within an accounting period or underwriting year a transaction meets the transfer pricing condition(f), the reporting entity is—

- (a) in a case falling within section 48(4)(c)(i) of the FA 2026, the UK resident company;
- (b) in a case falling within section 48(4)(c)(ii) of the FA 2026, the non-UK resident company (but see paragraph (2));
- (c) where a person falls within section 48(4)(c)(i) or (iii) of the FA 2026 and—
  - (i) the person is the member, or managing agent, of a syndicate, and
  - (ii) the transaction is relevant to the determination of syndicate profits reflected in the syndicate return for the underwriting year, the managing agent of that syndicate;
- (d) where the person is a partnership falling within section 48(4)(c)(iii) of the FA 2026, the representative partner.

(2) Where paragraph (1)(b) applies by virtue of a person falling within section 48(4)(c)(ii) of the FA 2026, it is a reporting entity only in respect of those transactions that are relevant to the determination of the charge to corporation tax under section 5(2)(a), (c), or (d), of the CTA 2009(g).

(3) In these regulations—

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- (a) “international controlled transaction” is defined in section 48(3)(b) Finance Act 2026 (c. 11.)
  - (b) “advance pricing agreement” is defined in section 218 of TIOPA.
  - (c) 2010 c. 8; Chapter 3 was relevantly amended by paragraph 3 and 4 of Schedule 2 to the Finance Act 2012 (c. 14).
  - (d) “distribution” is defined in section 1119 of the Corporation Act 2010 (c. 8).
  - (e) Part 9A was inserted into the CTA 2009 by paragraph 1 of Schedule 14 to the Finance Act 2009 (c. 10). Part 9A of the CTA 2009 was relevantly amended by paragraph 659 to 661 of Schedule 1 to the Corporation Tax Act 2010 (c. 4), paragraph 98 to 100, and 148, of Schedule 8 to TIOPA (c. 8), paragraph 3(2) and (3) of Schedule 3 to the Finance (No. 3) Act 2010 (c. 33) and paragraph 183 and 184 of Schedule 16, paragraph 22 of Schedule 18 and paragraph 30 and 31 of Schedule 20, to the Finance Act 2012 (c. 14).
  - (f) “Transfer pricing condition” is defined in section 48(4) of the FA 2026 (c. 11).
  - (g) Section 5(2) of the CTA 2009 (c. 4) was relevantly amended by section 76(2) of the Finance Act 2016 (c. 24), paragraph 110(3) of Schedule 1, and paragraph 2(a) of Schedule 5, to the Finance Act 2019 (c. 1).

“representative partner” means the partner who made and delivered the relevant return to which the specified international controlled transaction relates, or that partner’s successor within the meaning of section 12AA(11) and (12) of the Taxes Management Act 1970(a);

“syndicate” has the same meaning as in section 184(1) of the Finance Act 1993(b).

### **Specification of reporting entities where a transaction meets the permanent establishment condition**

9. Where, within an accounting period, a transaction meets the permanent establishment condition(c), the person specified as the reporting entity for the purposes of section 48(1) of the FA 2026 is a—

- (a) UK resident company that has made an exemption adjustment under section 18A CTA 2009(d);
- (b) non-UK resident company that has profits attributable to a permanent establishment of the company in the United Kingdom during the accounting period.

### **Specification of description of information to be provided**

10.—(1) Information relating to the following description is specified information in accordance with a notice published by the Commissioners—

- (a) identifying details of the—
  - (i) reporting entity;
  - (ii) partnership;
  - (iii) syndicate;
  - (iv) counter-party to the specified international controlled transaction;
  - (v) specified international controlled transaction;
- (b) profit attribution analysis;
- (c) details of the financing arrangements related to the specified international controlled transaction;
- (d) transfer pricing analysis;
- (e) copies of any relevant books, documents or other records listed in a direction given by Commissioners for the purpose of determining whether the content of specified information is accurate.

(2) Paragraph (1) does not apply in the cases set out in a notice published by the Commissioners.

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(a) 1970 c. 9; Section 12AA was inserted into the Taxes Management Act 1970 (c. 9) by section 184 of the Finance Act 1994 (c. 9), and was relevantly amended by section 115(4) of the Finance Act 1995 (c. 4), sections 123(1), (2) and (4) of the Finance Act 1996 (c. 8), and paragraph 18(3) of Schedule 29 to the Finance Act 2001 (c. 9).

(b) 1993 c. 34.

(c) “permanent establishment condition” is defined in section 48(5) of the Finance Act 2026 (c. 11).

(d) 2009 (c. 4); Section 18A was inserted into the Corporation Tax Act 2009 by paragraph 4 of Schedule 13 to the Finance Act 2011 (c. 11) and was relevantly amended by paragraph 3 of Schedule 20 to the Finance Act 2012 (c. 14), section 76(7) of the Finance Act 2016 (c. 24), paragraph 111 to Schedule 1, and paragraph 12 of Schedule 5 to the Finance Act 2019 (c. 1).

## PART 3

### Penalties, appeals and enforcement

#### Penalties for failure to provide specified information

**11.**—(1) A person is liable to a penalty of £300 per accounting period or underwriting year if the person fails to provide the specified information in accordance with regulations 4(1) and (3), 5, and 6(1) and (2).

(2) Where the reporting entity is a managing agent and the failure relates to specified information which is required in respect of one or more members of a syndicate by virtue of regulation 5(3), the penalty is payable in respect of each member of each syndicate to which the failure relates.

#### Daily default penalty

**12.**—(1) If the person fails to provide the specified information after notice of an assessment of a penalty under regulation 11 is issued, the person is liable to a further penalty, for each subsequent day on which the failure continues, of an amount (subject to regulation 18, not exceeding £60 for each such day).

(2) Where the person is a managing agent and the failure relates to specified information which is required in respect of one or more members of a syndicate by virtue of regulation 5(3), the penalty is payable in respect of each member of each syndicate to which the failure relates.

#### Penalties for inaccurate specified information

**13.**—(1) Where—

- (a) a person provides inaccurate specified information contrary to regulation 6(2), and
- (b) condition A or B is met,

the person is liable to a penalty not exceeding £3,000 in respect of the accounting period or underwriting year to which the inaccurate specified information relates.

(2) Where—

- (a) a person provides inaccurate specified information when responding to a direction under regulation 4, and
- (b) condition A or B is met,

the person is liable to a penalty not exceeding £3,000 in respect of the accounting period or underwriting year to which the inaccurate specified information relates.

(3) Condition A is that the person knows, or ought to have known, of the inaccuracy at the time the inaccurate specified information is provided but does not inform an officer for Revenue and Customs at that time.

(4) Condition B is that the person—

- (a) discovers, or ought to have discovered, the inaccuracy after the inaccurate specified information is provided, and
- (b) fails to take reasonable steps to inform an officer for Revenue and Customs of that discovery.

(5) Where the person is a managing agent and the failure relates to inaccurate specified information which is required in respect of one or more members of a syndicate by virtue of regulation 5(3), the penalty is payable in respect of each member of each syndicate to which the failure relates.

### **Matters to be disregarded in relation to liability to penalties**

**14.**—(1) A person is not liable to a penalty under regulations 11, 12, or 13 if he satisfies an officer for Revenue and Customs (or on appeal notified to the tribunal, the tribunal) that there is a reasonable excuse for the failure or the provision of inaccurate specified information.

(2) For the purpose of this regulation it is not a reasonable excuse—

- (a) that there is an insufficiency of funds to do something, or
- (b) that a person relies on another person to do something.

(3) If a person has a reasonable excuse for a failure but the excuse ceases, the person is to be treated as continuing to have the excuse if the failure is remedied without unreasonable delay after the excuse ceases.

### **Assessment of penalties**

**15.**—(1) If a person becomes liable to a penalty under regulation 11, 12, or 13, an officer of Revenue and Customs may assess the penalty.

(2) If an officer does so, the officer must notify the person of the assessment.

(3) An assessment of a penalty under regulation 11 or 12 must be made within the period of—

- (a) 6 years in respect of a failure to comply with regulation 5 and 6, or
- (b) 12 months in respect of a failure to comply with regulation 4, beginning with the date on which the person became liable to the penalty.

(4) An assessment of a penalty under regulation 13 must be made within the earlier of—

- (a) 12 months beginning with the date on which the inaccuracy first came to the attention of an officer of Revenue and Customs, or
- (b) 6 years beginning with the date on which the person became liable to the penalty.

### **Right to appeal against penalty**

**16.** A person may by notice appeal against the assessment of a penalty notified to that person—

- (a) on the grounds that liability to the penalty under any of the regulations 11, 12, or 13 does not arise, or
- (b) as to the amount of a penalty under regulations 12, or 13.

### **Procedure on appeal against penalty**

**17.**—(1) Notice of an appeal under regulation 16 must be given—

- (a) in writing,
- (b) before the end of the period of 30 days beginning with the date on which notification under regulation 15 was given, and
- (c) to an officer of Revenue and Customs.

(2) It must state the grounds of appeal.

(3) On an appeal under regulation 16(a) (right to appeal against penalty) that is notified to the tribunal<sup>(a)</sup>, the tribunal may confirm or cancel the assessment.

(4) On an appeal under regulation 16(b) (right to appeal against penalty) that is notified to the tribunal, the tribunal may—

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(a) See Part 5 of the Taxes Management Act 1970 (c. 9).

- (a) confirm the assessment, or
- (b) substitute another assessment that the officer of Revenue and Customs had power to make.

(5) Subject to this regulation and regulation 19, the provisions of Part 5 of the Taxes Management Act 1970<sup>(a)</sup> relating to appeals have effect in relation to appeals under regulation 16 as they have effect in relation to an appeal against an assessment to corporation tax.

#### **Application for increased daily default penalty**

**18.**—(1) Paragraph (2) applies if—

- (a) a person is liable to a penalty under regulation 12 and a penalty is assessed under regulation 15, and
- (b) the failure in respect of which that assessment is made continues for more than 30 days beginning with the date on which notification of that assessment is given.

(2) Where this paragraph applies, an officer of Revenue and Customs may make an application to the tribunal for permission to assess an increased daily penalty under regulation 12 but must notify the person liable to the penalty of the application at the time of making it.

(3) If the tribunal determines that an increased daily penalty may be assessed then for each applicable day on which the failure continues, the person's liability to a penalty under regulation 12 shall be for the increased amount determined by the tribunal.

(4) The tribunal may not determine an amount exceeding £1000 for each applicable day.

(5) If the tribunal determines an increased daily penalty, Revenue and Customs must notify the person.

(6) The notification under paragraph (5) must specify the future day from which the increased penalty is to apply.

(7) That day and any subsequent day is an “applicable day” for the purposes of paragraph (3) and (4).

#### **Payment and enforcement of penalties**

**19.**—(1) A penalty under these Regulations must be paid before the end of the period of 30 days beginning with the date mentioned in paragraph (2).

(2) That date is—

- (a) the date on which the assessment of the penalty under regulation 15 is notified in respect of the penalty, or
- (b) if a notice of appeal under regulation 16 is given, the date on which—
  - (i) the appeal is finally determined (but the penalty is not cancelled or withdrawn), or
  - (ii) the appeal is withdrawn.

(3) A penalty under these Regulations may be enforced as if it were corporation tax charged in an assessment and due and payable.

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(a) 1970 c. 9. Part 5 of the Taxes Management Act 1970 was relevantly amended by paragraphs 27, 28, 29, and 30 of Schedule 1 to the Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009/56, paragraphs 31(2) and (3), and 32, of Schedule 7 to the Taxation (International and Other Provisions) Act 2010 (c. 8), paragraph 4 of Schedule 27 to the Finance Act 2021 (c. 26) and paragraphs 1(5) and (6) of Schedule 5 to the Finance Act 2026 (c. 11).

[\*\*\*]

Two of the Commissioners for His Majesty's Revenue and Customs

[name]  
[name]

### **EXPLANATORY NOTE**

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

These Regulations make provision in connection with the provision of information in relation to international controlled transactions.

Regulation 1 provides for citation and commencement of the Regulations and provides for the application of the Regulations to accounting periods beginning on or after 1st January 2027.

Regulation 2 defines terms used in the Regulations.

Regulation 3 sets out the circumstances in which the Commissioners may publish a notice.

Regulation 4 sets out the circumstances in which the Commissioners may issue a specific or general direction.

Regulation 5 sets out the requirement upon a reporting entity to provide specified information in relation to a specified international transaction to an officer of Revenue and Customs, where the threshold requirement is met.

Regulation 6 specifies the form and manner that specified information is to be provided to an officer for Revenue and Customs.

Regulation 7 specifies the specified international controlled transactions to which the requirement to provide information applies.

Regulation 8 specifies which entities are reporting entities which are required to provide specified information where the transfer pricing condition is met.

Regulation 9 specifies which entities are reporting entities which are required to provide specified information where the permanent establishment condition is met.

Regulation 10 specifies the description of information that is specified information.

Regulations 11 to 19 make provision for penalties for breaches of obligations imposed by the Regulations, including provision for appeals and enforcement.

A notice made under a power created by these Regulations will be published at [\*\*\*].

A Tax Information and Impact Note covering this instrument [\*\*\*].