STATUTORY INSTRUMENTS

2026 No. 1156

CORPORATION TAX

The International Controlled Transaction Reporting Regulations 2026

Made - - - -	*30th October 2026*
Laid before the House of Commons - - - -	*4th November 2026*
Coming into force - -	*26th November 2026*

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(**1**).

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 26th November 2026.

(2) These Regulations apply to—

(a) accounting periods(**2**) beginning on or after 1st January 2027, and

(b) underwriting years beginning on or after 1st January 2027 where the profits or losses arising to a member in any underwriting year directly from its membership of one or more syndicates are required to be declared on or after 1st January 2030.

Interpretation

2.—(1) In these Regulations—

"FA 2026" means the Finance Act 2026;

(**1**) 2026 c. 11.
(**2**) "Accounting period" is defined by section 1119 of the Corporation Tax Act 2010 (c. 4).

"managing agent" has the same meaning as in regulation 2 of the Lloyd's Underwriters (Tax) Regulations 2005(**3**);

"member" has the same meaning as in section 230 of the Finance Act 1994(**4**);

"relevant partner" means a person who was a partner in the partnership to which the relevant return relates at any time during the period in respect of which the relevant return was required, including the representative partner;

"relevant return" means the—

(a) company tax return required to be delivered under paragraph 3 of Schedule 18 to the Finance Act 1998(**5**),

(b) partnership return required to be delivered under section 12AA of the TMA 1970(**6**), or

(c) syndicate return required to be delivered by regulation 4(1) of The Lloyd's Underwriters (Tax) Regulations 2005,

which corresponds to the accounting period, or underwriting year, to which the specified international controlled transaction relates;

"reporting entity" is the person specified as a reporting entity in regulation 16 or 17;

"representative partner" means the partner who is required to make and deliver the relevant return to which the specified international controlled transaction relates, or that partner's successor, in accordance with section 12AA of the TMA 1970;

"specified information" is information of a description specified in regulation 18;

"specified international controlled transaction" is an international controlled transaction specified in regulation 14;

"syndicate" has the same meaning as in section 184(1) of the Finance Act 1993(**7**);

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

"underwriting year" has the same meaning as in section 184(1) of the Finance Act 1993.

(2) In these Regulations "partnership" includes a limited liability partnership.

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

(a) CTA 2009(**8**);

(b) CTA 2010(**9**);

(c) TMA 1970(**10**);

(d) TIOPA 2010(**11**).

Notices

3. A power under these Regulations to publish a notice may be exercised by the Commissioners—

(**3**) S.I. 2005/3338.
(**4**) 1994 c. 9.
(**5**) 1998 c. 36; Paragraph 3 was relevantly amended by paragraph 68(a) of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11).
(**6**) 1970 c. 9; "TMA 1970" is defined by section 281 of the Finance Act 2026 and means the Taxes Management Act 1970. Section 12AA was inserted into the TMA 1970 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). Section 12AA(10A) was inserted by paragraph 18(2) of Schedule 29 to the Finance Act 2001.
(**7**) 1993 c. 34.
(**8**) 2009 c. 4; "CTA 2009" is defined by section 281 of the Finance Act 2026 (c. 11).
(**9**) 2010 c. 4; "CTA 2010" is defined by section 281 of the Finance Act 2026.
(**10**) 1970 c. 9.
(**11**) 2010 c. 8; "TIOPA 2010" is defined by section 281 of the Finance Act 2026.

(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.

Part 2

Reporting requirements in relation to specified international controlled transactions

Requirement to provide specified information

4.—(1) Subject to regulation 5, paragraph (2) applies where within an accounting period or underwriting year the total value of a specified international controlled transaction, or specified international controlled transactions aggregated in accordance with regulation 7(3), meets the threshold requirement specified in a notice published by the Commissioners.

(2) A reporting entity must—

(a) on or after the date specified in a notice published by the Commissioners, and

(b) on or before the submission deadline identified in regulation 6,

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.

(3) Where the reporting entity is a managing agent (see regulation 16(1)(c)), it must provide the specified information required by paragraph (2) with respect to each specified international controlled transaction relating to—

(a) the managing agent, and

(b) each member of each syndicate that it manages.

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

(a) both the transfer pricing condition(**12**) and the permanent establishment condition(**13**), the—

(i) reporting entity, or

(ii) reporting entities where there is a different reporting entity for each condition

must provide the specified information in relation to each specified international controlled transaction with respect 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.

(5) 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.

Exception to regulation 4 (requirement to provide specified information)

5. Regulation 4(2) does not apply—

(a) to a case specified in a notice published by the Commissioners,

(**12**) "Transfer pricing condition" is defined in section 48(4) of the Finance Act 2026 (c. 11).
(**13**) "Permanent establishment condition" is defined in section 48(5) of the Finance Act 2026.

(b) to specified information in respect of a specified international controlled transaction that has already been provided to an officer of Revenue and Customs in relation to that accounting period or underwriting year by a reporting entity under these Regulations, or

(c) where the reporting entity is a—

(i) charity(**14**), or

(ii) company wholly owned by a charity within the meaning of section 200 of the Corporation Tax Act 2010(**15**).

Submission deadline

6.—(1) Where the reporting entity is not a managing agent—

(a) for accounting periods ending on or before 30th September 2027, the submission deadline is the later of—

(i) 30th September 2028, and

(ii) the date specified in a notice published by the Commissioners;

(b) for accounting periods ending after 30th September 2027, the submission deadline is the date that the corresponding relevant return(**16**) is required.

(2) Where the reporting entity is a managing agent the submission deadline is the later of the—

(a) filing date for the syndicate return required by regulation 4(4) of the Lloyd's Underwriters (Tax) Regulations 2005(**17**), and

(b) date specified in a notice published by the Commissioners.

Form and manner

7.—(1) The specified information must be provided in the form and manner identified in a notice published by the Commissioners.

(2) When specified information is provided in accordance with paragraph (1), save as set out in a notice published by the Commissioners—

(a) numerical data reflecting a percentage must be rounded to the nearest decimal place;

(b) all other numerical data must be rounded to the nearest unit of measurement.

(3) Where required in a notice published by the Commissioners, 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.

Commissioners' directions

8.—(1) Where reasonably required, the Commissioners may direct a reporting entity to provide to an officer of Revenue and Customs—

(a) other specified information in cases where specified information provided is incomplete, or

(**14**) "Charity" is defined in paragraph 1, and applies by virtue of paragraph 7, of Part 1 of Schedule 6 to the Finance Act 2010 (c. 13). Part 1 of the Finance Act 2010 was relevantly amended by paragraph 143(2)(a) and (b), (3), and (4), of Schedule 7 to the Charities Act 2011 (c. 25), section 125 of the Finance Act 2016 (c. 24), and section 344(1)(a) and (b) of the Finance (No. 2) Act 2023 (c. 30).

(**15**) 2010 c. 4; Section 200 was relevantly amended by section 35(4) of the Finance Act 2014 (c. 26).

(**16**) Where the relevant return is a company tax return, see paragraph 14 of Schedule 18 to the Finance Act 1998 (c. 36). Where the relevant return is a partnership return, see section 12AA of the TMA 1970 (c. 9).

(**17**) S.I. 2005/3338.

(b) copies of any relevant books, documents or other records for the purpose of determining whether the specified information provided is accurate.

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

(3) The reporting entity must comply with the direction by the time, and in the form and manner, as may reasonably be specified in the direction.

(4) Regulation 9 applies to specified information provided in accordance with a direction given under this regulation.

Consistency with the relevant return and accuracy

9.—(1) Specified information provided under these regulations must be accurate.

(2) Information is accurate if it is consistent with the analysis used to complete the relevant return, correctly reflects the matters to which it relates and does not contain any material error or omission.

(3) Where the relevant return is a partnership return(**18**), paragraph (1) applies to the specified information related to the calculation of profits and losses carried out in accordance with section 1259 of the CTA 2009.

Part 3

Amended specified information

Requirement to amend the specified information

10.—(1) Paragraphs (2) and (3) apply where specified information has been provided to an officer of Revenue and Customs in accordance with these Regulations.

(2) If, after the specified information is provided, it no longer meets the requirement of regulation 9, whether because—

(a) the relevant return to which a specified international controlled transaction relates is amended,

(b) an exception under regulation 15 no longer applies, or

(c) for another reason,

the reporting entity must amend that specified information.

(3) In all other cases, a reporting entity may amend that specified information.

Exception to regulation 10 (requirement to amend specified information)

11. Regulation 10(2)(a) does not apply where a relevant return is amended pursuant to any of—

(a) paragraph 16, 30, 34, or 41, of Schedule 18 to the Finance Act 1998(**19**);

(b) section 9C, 12ABB, 28B, or 30B, of the TMA 1970(**20**);

(**18**) See the definition of "relevant return" in regulation 2(1).

(**19**) 1998 c. 36; Paragraph 16 was relevantly amended by paragraph 68(a) of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) and section 119(4)(a) and (b) of the Finance Act 2008. Paragraph 30 was relevantly amended by paragraph 68(a) and (c) of Schedule 4 to the Commissioners for Revenue and Customs Act 2005, paragraph 257 of Schedule 1 to the Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56) and paragraph 24(2) and (3) of Schedule 15 to the Finance (No. 2) Act 2017 (c. 32). Paragraph 34 was relevantly amended by section 119(6) of the Finance Act 2008 and paragraph 30 of Schedule 15 to the Finance (No. 2) Act 2017. Paragraph 41 was relevantly amended by paragraph 68(a) and (c), of Schedule 4 to the Commissioners for Revenue and Customs Act 2005.

(**20**) Section 9C was inserted by paragraph 4(1) of Schedule 29 to the Finance Act 2001 (c. 9) and was relevantly amended by paragraph 4 of Schedule 15 to the Finance (No. 2) Act 2017 (c. 32). Section 12ABB was inserted by paragraph 3(2) of

(c) the following regulations of the Lloyd's Underwriters (Tax) Regulations 2005(**21**)—

(i) regulation 5, limited to the application of paragraphs 16, and 34, and

(ii) regulation 7, limited to the application of paragraph 41(2),

of Schedule 18 to the Finance Act 1998.

Amendment procedure

12.—(1) An amendment made under regulation 10 must be made in accordance with the procedure set out in a notice published by the Commissioners, on or before the amendment deadline identified in regulation 13.

(2) Regulation 9 applies to specified information provided in accordance with this regulation.

Amendment deadline

13.—(1) Where the reporting entity is not a managing agent—

(a) for accounting periods ending on or before 30th September 2027, the amendment deadline is the later of—

(i) 30th September 2029, and

(ii) the date specified in a notice published by the Commissioners;

(b) for accounting periods ending after 30th September 2027, the amendment deadline is the date by which the corresponding relevant return may be amended(**22**).

(2) Where the reporting entity is a managing agent the amendment deadline is the later of—

(a) the date required by regulation 5 of the Lloyd's Underwriters (Tax) Regulations 2005(**23**), and

(b) the date specified in a notice published by the Commissioners.

Part 4

Specification of international controlled transaction, reporting entity, and information and exceptions

Specification of specified international controlled transaction

14. Unless an exception in regulation 15 applies, an international controlled transaction(**24**) is a specified international controlled transaction where it meets the—

(a) transfer pricing condition;

Schedule 29 to the Finance Act 2001 and relevantly amended by section 119(2) of the Finance Act 2008. Section 28B was substituted by paragraph 9(1) of Schedule 29 to the Finance Act 2001 and was amended by paragraph 18 of Schedule 1 to The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), paragraph 13 of the Finance (No. 2) Act 2017, and paragraph 10(6) of Schedule 6 to the Finance Act 2018 (c. 3). Section 30B was inserted by paragraph 6 of Schedule 19 to the Finance Act 1994 (c. 9) and was relevantly amended by section 115(5) of the Finance Act 1995 (c. 4), paragraph 14(3) and (4), of Schedule 19 to the Finance Act 1998 (c. 36), paragraph 24(2), (3), and (4) of Schedule 29 to the Finance Act 2001, paragraph 4 of Schedule 39 to the Finance Act 2008 (c. 9), paragraph 17 of Schedule 15 to the Finance (No. 2) Act 2017, paragraph 10(7) of Schedule 6 to the Finance Act 2018.

(**21**) S.I. 2005/3338.

(**22**) Where the relevant return is a company tax return, see paragraph 15 of Schedule 18 to the Finance Act 1998. Where the relevant return is a partnership return, see section 12ABA of the Taxes Management Act 1970 (c. 9).

(**23**) S.I. 2005/3338.

(**24**) "International controlled transaction" is defined in section 48(3)(b) Finance Act 2026 (c. 11).

(b) permanent establishment condition and if, for the purpose of applying Chapter 3A(**25**) or 4(**26**) of Part 2 of CTA 2009 (profits of permanent establishments)—

(i) it is treated as having occurred between the permanent establishment(**27**) and the other parts of the enterprise of which the permanent establishment is a part for the purposes of applying section 21 of CTA 2009(**28**) or for the purpose of exemption adjustments made under section 18A of CTA 2009(**29**), or

(ii) the participation condition(**30**) is met, or treated as met, in relation to the provision made or imposed by means of that transaction and it is attributable, either wholly or in part, to the—

(aa) permanent establishment of a non-UK resident company in the United Kingdom, or

(bb) foreign permanent establishment(**31**) of a UK resident company, for the purpose of exemption adjustments made under section 18A of CTA 2009.

Exception to regulation 14 (specification of specified international transaction)

15.—(1) An international controlled transaction is not a specified international controlled transaction where, for the purpose of—

(a) regulation 14(a), paragraphs (2) to (6) apply;

(b) regulation 14(b), paragraphs (3) to (6) apply.

(2) This paragraph applies to an international controlled transaction—

(a) where, by reason of section 165 or 166(**32**) of TIOPA 2010(**33**), sections 147(3) and (5) of TIOPA 2010 do not apply to the calculation of the profits and losses of the potentially advantaged person in relation to the provision(**34**) made or imposed by means of that transaction,

(b) which is a distribution(**35**), or

(c) which is the means by which provision has been made or imposed and it is relevant to the determination of syndicate profits included in the syndicate return for the underwriting year where—

(i) there is more than one member in the syndicate, and

(**25**) Chapter 3A was inserted by paragraph 4 of Schedule 13 to the Finance Act 2011 (c. 11) and was amended by paragraph 137(2) and (3) of Schedule 16, paragraphs 3, 4, 5(2) to (5), 6 and 7, of Schedule 20 to the Finance Act 2012 (c. 14), section 76(7) of the Finance Act 2016 (c. 24), paragraph 111 of Schedule 1, and paragraph 12 of Schedule 5, to the Finance Act 2019 (c. 1), and paragraph 2(a) and (b) of Schedule 7 to the Finance Act 2026 (c. 11).

(**26**) Chapter 4 was amended by paragraph 26(3) of Schedule 19 to the Finance Act 2011, section 76(8) of the Finance Act 2016, paragraphs 112(2), (3)(a) and (b), and (4) of Schedule 1, and paragraph 13 of Schedule 5, to the Finance Act 2019, paragraphs 3(a) and (b), 4, 5(2)(a) and (b) and (3)(a) and (b), 6(a) and (b), 7(a) and (b), 8(a) to (h), and 18(2), of Schedule 7 to the Finance Act 2026.

(**27**) "Permanent establishment" has the meaning given in section 1141 of the CTA 2010, relevantly amended by paragraph 12 of Schedule 7 to the Finance Act 2026 (c. 11).

(**28**) Section 21 was relevantly amended by paragraph 5(2)(a) and (b) and (3) of Schedule 7 to the Finance Act 2026.

(**29**) Section 18A was inserted into the CTA 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).

(**30**) "Participation condition" means the condition that is met or treated as met in accordance with sections 148 and 148A of TIOPA 2010 (c. 4), and section 48(4) of the Finance Act 2026.

(**31**) "Foreign permanent establishment" has the meaning given in Chapter 3A of the CTA 2009.

(**32**) See exceptions in sections 167 and 168 TIOPA 2010 (c. 4).

(**33**) 2010 c. 8; Section 166(2)(b) was amended by paragraph 3, and section 167A was inserted by paragraph 4, of Schedule 2 to the Finance Act 2012 (c. 14).

(**34**) "Provision" has the meaning given in Part 4 of TIOPA 2010.

(**35**) "Distribution" is defined in section 1000 of the CTA 2010.

(ii) if the provision was made or imposed between the person identified in regulation 16(1)(c)(i) and any member of the syndicate, the participation condition cannot be met between the person and each member of the syndicate.

(3) This paragraph applies to a transaction to which an advance pricing agreement has effect, in accordance with Part 5 of TIOPA 2010 (advance pricing agreements)(**36**), and where the question to be determined in accordance with the advance pricing agreement relates to a matter described in—

(a) section 218(2)(a) to (d), or (f), of TIOPA, or

(b) section 218(2)(e) of TIOPA where the advance pricing agreement specifies the transfer pricing method to be applied to the international controlled transaction.

(4) Where—

(a) an application for an advance pricing agreement has been made in accordance with section 223 of TIOPA 2010 and the question to be determined in accordance with the advance pricing agreement relates to a matter described in paragraph 3(a) or (b),

(b) an officer of Revenue and Customs has confirmed the admissibility of the application in writing, and

(c) the application has not been withdrawn or otherwise ceased to be under consideration by the Commissioners,

paragraph (3) applies to the transactions that are subject to the application as if an advance pricing agreement in respect of those transactions was in force.

(5) This paragraph applies to a transaction in respect of which, in accordance with the ICAP Handbook, a letter—

(a) has been issued by the Commissioners,

(b) assesses the transaction as low risk, and

(c) has effect in relation to the transaction.

(6) For the purpose of this regulation—

"ICAP" means the International Compliance Assurance Programme administered by the OECD;

"the ICAP Handbook" means the ICAP Handbook for tax administrations and MNE groups published by the OECD on 18th February 2021 (as amended from time to time) 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 ICAP(**37**).

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

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

(a) UK resident company in a case falling within section 48(4)(c)(i) of the FA 2026 except where regulation 16(1)(c) applies;

(b) non-UK resident company in a case falling within section 48(4)(c)(ii) of the FA 2026;

(c) managing agent of the syndicate where a person falls within section 48(4)(c)(i) or (iii) of the FA 2026 and—

(i) the person is a member, or managing agent, of a syndicate, and

(**36**) "Advance pricing agreement" is defined in section 218 of TIOPA 2010.

(**37**) The ICAP Handbook for tax administrations and MNE groups can be found here: https://www.oecd.org/en/publications/2021/02/international-compliance-assurance-programme_adf0be32.html.

(ii) the transaction is relevant to the determination of syndicate profits included in the syndicate return for the underwriting year;

(d) representative partner where a person is a partnership falling within section 48(4)(c)(iii) of the FA 2026.

(2) Where paragraph (1)(b) applies, a non-UK resident company 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(**38**).

Specification of a reporting entity where a transaction meets the permanent establishment condition

17. Where, within an accounting period, a transaction meets the permanent establishment condition(**39**), the reporting entity is the—

(a) UK resident company for which section 18A CTA 2009(**40**) has effect;

(b) non-UK resident company that has profits attributable to a permanent establishment(**41**) of the company in the United Kingdom during the accounting period;

(c) representative partner, where as a result of being a partner in the partnership—

(i) a non-UK resident company has a permanent establishment in the United Kingdom, or

(ii) a UK-resident company has a foreign permanent establishment(**42**).

Specification of description of information to be provided

18.—(1) Information to which paragraph (2) applies is specified information.

(2) This paragraph applies to information of a description that is specified in a notice published by the Commissioners.

(3) A notice under paragraph (2) may specify information by reference to—

(a) identifying details of the—

(i) reporting entity;

(ii) company;

(iii) member;

(iv) partnership;

(v) syndicate;

(vi) counter-party to the specified international controlled transaction;

(b) specified international controlled transaction;

(c) attribution of profits to a permanent establishment;

(d) details of the financing arrangements related to the specified international controlled transaction;

(e) transfer pricing analysis.

(**38**) 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).
(**39**) "Permanent establishment condition" is defined in section 48(5) of the Finance Act 2026 (c. 11).
(**40**) 2009 c. 4.
(**41**) "Permanent establishment" has the meaning given in section 1141 of the CTA 2010, relevantly amended by paragraph 12 of Schedule 7 to the Finance Act 2026.
(**42**) "Foreign permanent establishment" has the meaning given in Chapter 3A of the CTA 2009.

(4) The Commissioners must publish a notice under paragraph (2).

Part 5

Penalties, appeals and enforcement

Penalties for failure to provide specified information

19.—(1) If a reporting entity fails to comply with regulations 4(2), 7, 8(1) or (3), or 10(2), the reporting entity is liable to a penalty of £300 in respect of each accounting period or underwriting year to which the failure relates.

(2) In the case of a partnership, the penalty in paragraph (1) is payable by every relevant partner.

(3) Where the reporting entity in paragraph (1) is a managing agent and the failure relates to specified information which is required in respect of one or more members of a syndicate, the reporting entity is liable to the penalty under paragraph (1) in respect of each member of each syndicate to which the failure relates.

Daily default penalty

20.—(1) If the reporting entity fails to provide the specified information after the notice of an assessment of a penalty under regulation 19 has been issued, the reporting entity is liable to a further penalty, for each subsequent day on which the failure continues, of an amount (subject to regulation 26), not exceeding £60 for each such day.

(2) In the case of a partnership, the further penalty in paragraph (1) is payable by every relevant partner.

(3) 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, the reporting entity is liable to the further penalty under paragraph (1) in respect of each member of each syndicate to which the failure relates.

Penalties for inaccurate specified information

21.—(1) Where—

(a) a reporting entity provides inaccurate specified information contrary to regulation 9, and

(b) condition A, B, or C, is met,

the reporting entity 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) Condition A is that the inaccuracy is careless within the meaning of section 118(5) and (6) of the TMA 1970(**43**).

(3) Condition B is that the reporting entity—

(a) ought reasonably to have known at the time the specified information was provided, or subsequently, that the specified information was inaccurate, and

(b) fails to take reasonable steps within a reasonable time period to inform an officer of Revenue and Customs.

(4) Condition C is that the inaccuracy is deliberate within the meaning of section 118(7) of the TMA 1970.

(**43**) Relevantly amended by paragraph 15 of Schedule 39 to the Finance Act 2008 (c. 9).

(5) Where the reporting entity 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, the reporting entity is liable to a penalty under paragraph (1) in respect of each member of each syndicate to which the failure relates.

Matters to be disregarded in relation to liability to penalties

22.—(1) A reporting entity or relevant partner is not liable to a penalty under regulations 19 or 20 if it satisfies an officer of Revenue and Customs (or on appeal to the tribunal, the tribunal) that there is a reasonable excuse.

(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 reporting entity or relevant partner has a reasonable excuse for a failure but the excuse ceases, the reporting entity or relevant partner is to be treated as continuing to have the excuse if the failure is remedied without unreasonable delay after the excuse ceases.

(4) A reporting entity is not liable to a penalty under regulation 21 if it satisfies an officer of Revenue and Customs (or on appeal to the tribunal, the tribunal) that it took reasonable care.

Assessment of penalties

23.—(1) If a reporting entity or relevant partner becomes liable to a penalty, an officer of Revenue and Customs may assess the penalty.

(2) If an officer does so, the officer must notify the reporting entity or relevant partner of the assessment.

(3) An assessment of a penalty under paragraph (1) may not be made—

(a) in the case of a penalty assessed in respect of a failure to comply with regulations 4(2), 7, or 10(2), after the end of 6 years, or

(b) in the case of a penalty assessed in respect of a failure to comply with regulation 8(1) or (3), after the end of 12 months,

beginning with the date on which the reporting entity or relevant partner became liable to the penalty.

(4) An assessment of a penalty under regulation 21 must be made no later than—

(a) 6 years beginning with the date on which the reporting entity or relevant partner became liable to the penalty, or if earlier

(b) 12 months beginning with the date on which the inaccuracy first came to the attention of an officer of Revenue and Customs.

Right to appeal against penalty

24. A reporting entity or relevant partner may by notice appeal against the assessment of a penalty notified to that reporting entity or relevant partner—

(a) on the ground that liability to the penalty under regulation 19, 20, or 21 does not arise, or

(b) as to the amount of a penalty under regulations 19, 20 or 21.

Procedure on appeal against penalty

25.—(1) Notice of an appeal under regulation 24 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 23(2) was issued, and

(c) to an officer of Revenue and Customs.

(2) It must state the grounds of appeal.

(3) On an appeal under regulation 24(a) that is notified to the tribunal(**44**), the tribunal may confirm or cancel the assessment.

(4) On an appeal under regulation 24(b) that is notified to the tribunal, the tribunal may—

(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, the provisions of Part 5 of the TMA 1970(**45**) have effect in relation to appeals under these regulations as they have effect in relation to an appeal against an assessment to corporation tax.

Application for increased daily default penalty

26.—(1) Paragraph (2) applies if—

(a) a reporting entity or relevant partner is liable to a penalty under regulation 20 and a penalty is assessed under regulation 23, 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 issued.

(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 20 but must notify the reporting entity or relevant partner liable to the penalty of the application.

(3) If the tribunal determines that an increased daily penalty may be assessed, then for each applicable day on which the failure continues, liability to a penalty under regulation 20 shall be for the increased amount determined by the tribunal.

(4) The tribunal may not determine an amount exceeding £1,000 for each applicable day.

(5) If the tribunal determines an increased daily penalty, Revenue and Customs must notify the reporting entity or relevant partner.

(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 paragraphs (3) and (4).

Payment and enforcement of penalties

27.—(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 23 is notified in respect of the penalty, or

(b) if a notice of appeal under regulation 25 is issued, the date on which—

(**44**) See Part 5 of the TMA 1970 (c. 9).

(**45**) 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 and 32, of Schedule 7 to TIOPA 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).

(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.

Myrtle Lloyd
Carol Bristow
Two of the Commissioners for His Majesty's Revenue and Customs

30th October 2026

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. It also provides for the application of the Regulations to accounting periods beginning on or after 1st January 2027 and, to underwriting years beginning on or after 1st January 2027 where the profits or losses arising to a member in any underwriting year directly from its membership of one or more syndicates are required to be declared on or after 1st January 2030.

Regulation 2 defines terms used in the Regulations.

Regulation 3 sets out the scope of a notice published by the Commissioners.

Regulation 4 sets out the requirement upon a reporting entity to provide specified information in relation to a specified international controlled transaction to an officer of Revenue and Customs, where the threshold requirement is met.

Regulation 5 provides an exception to regulation 4 and the requirement to provide specified information.

Regulation 6 sets out the submission deadline.

Regulation 7 specifies the form and manner that specified information is to be provided to an officer of Revenue and Customs.

Regulation 8 makes provision for Commissioners' directions.

Regulation 9 sets out the requirement for information to be consistent with the analysis applied in the relevant return and to be accurate.

Regulation 10 sets out the circumstances in which a reporting entity must, or may, amend the specified information.

Regulation 11 provides an exception to the requirement to amend specified information.

Regulation 12 makes provision for the amendment procedure.

Regulation 13 sets out the amendment deadline.

Regulation 14 specifies the international controlled transactions to which the requirement to provide information applies.

Regulation 15 provides an exception to the specification of a specified international controlled transaction.

Regulation 16 specifies which entities are reporting entities which are required to provide specified information where the transfer pricing condition is met.

Regulation 17 specifies which entities are reporting entities which are required to provide specified information where the permanent establishment condition is met.

Regulation 18 specifies the description of information that is specified information.

Regulation 19 makes provision for penalties for breaches of obligations imposed by the Regulations, including provision for appeals and enforcement.

Regulation 20 makes provision for a daily default penalty to apply in the event that specified information is not provided following notice of an assessment under regulation 19.

Regulation 21 makes provision for a penalty following the provision of inaccurate specified information.

Regulation 22 sets out the matters to be disregarded in relation to the liability of a penalty.

Regulation 23 makes provision for the assessment of a penalty by an officer of Revenue and Customs and the relevant deadline for such an assessment to be carried out.

Regulation 24 makes provision for a right to appeal against a penalty.

Regulation 25 sets out the procedure on appeal against a penalty.

Regulation 26 sets out the procedure for an officer of Revenue and Customs to apply to the Tribunal for an increased daily default penalty.

Regulation 27 makes provision for the payment and enforcement of penalties.

Notices and directions made under these Regulations will be published at https://www.gov.uk/money/corporation-tax.

The ICAP Handbook for tax administrations and MNE groups can be found here: https://www.oecd.org/en/publications/2021/02/international-compliance-assurance-programme_adf0be32.html. Copies of the ICAP Handbook are available for inspection in hard copy form from 100 Parliament Street, London, SW1A 2BQ.

A Tax Information and Impact Note covering this instrument was published on 25th November 2025 alongside the Budget 2025 and is available on the website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins. It remains an accurate summary of the impacts that apply to this instrument.