

Penalty for false statement made to obtain allowance. ITA67 s516; CTA76 s147(1) and (2); WCTIPA93 s11 1056.—(1) In this section, “the specified difference”, in relation to a person, means the difference between—

(a) the amount of income tax or, as the case may be, corporation tax payable in relation to the person's or, as may be appropriate, another person's liability to income tax for a year of assessment or to corporation tax for an accounting period, as the case may be, and

(b) the amount which would have been the amount so payable if—

(i) any statement or representation referred to in subsection (2) (a) had not been false,

(ii) any account, return, list, declaration or statement referred to in subsection (2) (b) (i) had not been false or fraudulent, or

(iii) the full amount of income referred to in subsection (2) (b) (ii) had been disclosed.

(2) A person shall, without prejudice to any other penalty to which the person may be liable, be guilty of an offence under this section if—

(a) in relation to the person's liability to income tax for a year of assessment or to corporation tax for an accounting period, as the case may be, the person knowingly makes any false statement or false representation—

(i) in any return, statement or declaration made with reference to tax, or

(ii) for the purpose of obtaining any allowance, reduction, rebate or repayment of tax, or

(b) in relation to liability to income tax of any other person for a year of assessment or to liability to corporation tax of any other person for an accounting period, as the case may be, the person knowingly and wilfully aids, abets, assists, incites or induces that other person—

(i) to make or deliver a false or fraudulent account, return, list, declaration or statement with reference to property, profits or gains or to tax, or

(ii) unlawfully to avoid liability to tax by failing to disclose the full amount of that other person's income from all sources.

(3) A person guilty of an offence under this section shall be liable—

(a) on summary conviction where the amount of the specified difference is—

(i) less than £1,200, to a fine not exceeding 25 per cent of the amount of the specified difference or, at the discretion of the court, to a term of imprisonment not exceeding 12 months or to both;

(ii) equal to or greater than £1,200, to a fine not exceeding £1,200 or, at the discretion of the court, to a term of imprisonment not exceeding 12 months or to both;

or

(b) on conviction on indictment where the amount of the specified difference is—

(i) less than £5,000, to a fine not exceeding 25 per cent of the amount of the specified difference or, at the discretion of the court, to a term of imprisonment not exceeding 2 years or to both;

(ii) equal to or greater than £5,000 but less than £10,000, to a fine not exceeding 50 per cent of the amount of the specified difference or, at the discretion of the court, to a term of imprisonment not exceeding 3 years or to both;

(iii) equal to or greater than £10,000 but less than £25,000, to a fine not exceeding the amount of the specified difference or, at the discretion of the court, to a term of imprisonment not exceeding 4 years or to both;

(iv) equal to or greater than £25,000 but less than £100,000, to a fine not exceeding twice the amount of the specified difference or, at the discretion of the court, to a term of imprisonment not exceeding 8 years or to both;

(v) equal to or greater than £100,000, to a fine not exceeding twice the amount of the specified difference and to a term of imprisonment not exceeding 8 years.

(4) Subsections (4) and (6) to (8) of section 1078 shall, with any necessary modifications, apply for the purposes of this section as they apply for the purposes of that section.

(5) This section shall not apply to a declaration given under section 2 or 3 of the Waiver of Certain Tax, Interest and Penalties Act, 1993, by reason only of any false statement or false representation made in relation to subsection (3) (a) (iii) of section 2 of that Act or subsection (6) (b) (III) of section 3 of that Act, as the case may be.