

Obligations of system-members. FA1996 s108 76.—(1) Where an instruction is entered or is caused to be entered in a relevant system by a system-member, and the effect of that instruction is that no stamp duty is calculated by the relevant system, that system-member shall retain evidence in legible written form, or readily convertible into such a form, for a period of 3 years from the date of such instruction, in sufficient detail to establish that the related operator-instruction is not chargeable with stamp duty, and the system-member shall make any such evidence available to the Commissioners on request.

(2) A system-member who fails to comply with subsection (1) shall be liable to a penalty of £1,000.

(3) Where a system-member fraudulently or negligently enters or causes to be entered an incorrect instruction in a relevant system and such incorrect instruction gives rise to an underpayment of stamp duty, or results in a claim for exemption from duty to which there is no entitlement, that system-member shall incur a penalty of £1,000 together with the amount, or twice the amount in the case of fraud, of the difference between the duty so paid (if any) and the duty which would have been payable if the instruction had been entered correctly.

(4) A system-member shall be deemed to have acted negligently for the purposes of subsection (3) if it comes to the system-member's notice, or it would have come to the system-member's notice if the system-member had taken reasonable care, that an incorrect instruction has resulted in an underpayment of stamp duty, unless the system-member notifies the Commissioners accordingly, in writing, without unreasonable delay.

(5) An incorrect instruction to which subsection (3) applies shall be deemed to be the production of an incorrect document for the purposes of section 1078 (2)(d) of the Taxes Consolidation Act, 1997 .