STATUTORY INSTRUMENTS

2025 No. 740

TAXES

The International Tax Compliance (Amendment) Regulations 2025

Made - - - -	*24th June 2025*
Laid before the House of Commons	*25th June 2025*
Coming into force - -	*16th July 2025*

The Treasury make these Regulations in exercise of the powers conferred by section 136 of the Finance Act 2002(**a**) and section 349 of the Finance (No. 2) Act 2023(**b**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the International Tax Compliance (Amendment) Regulations 2025 and, subject to paragraph (2), come into force on 16th July 2025.

(2) Regulations 3(a), 3(b), 3(d), 5 and 14(b)(ii) to (v) do not have effect in relation to reporting obligations under regulation 6 of the International Tax Compliance Regulations 2015(**c**) for the calendar year 2025 and previous calendar years.

Amendment of the International Tax Compliance Regulations 2015

2. The International Tax Compliance Regulations 2015 are amended as follows.

Amendment of regulation 1 (interpretation)

3. In regulation 1—

(a) in paragraph (3)—

(i) before sub-paragraph (b), insert—

"(aa) the OECD (2014), Standard for Automatic Exchange of Financial Account Information in Tax Matters(**d**) as amended by the 2023 update to the Common Reporting Standard contained in the OECD (2023), International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset

(**a**) 2002 c. 23.

(**b**) 2023 c. 30. S.I. 2015/878 was made using the powers in section 222(1), (2) and (3) of the Finance Act 2013 (c. 29), which were repealed by section 349(11) of the Finance (No. 2) Act 2023.

(**c**) S.I. 2015/878, amended by S.I. 2015/1839, 2016/899, 2017/598, 2018/490, 2019/881, 2020/438, 2020/1300, 2021/485, 2022/474, 2023/461 and 2024/544.

(**d**) The OECD (2014), Standard for Automatic Exchange of Financial Account Information in Tax Affairs is available at h ttps://doi.org/10.1787/9789264216525-en and a hard copy is available for inspection at the offices of HMRC at 14 Westfield Avenue, Stratford, London E20 1HZ.

Reporting Framework and 2023 update to the Common Reporting Standard(**a**), including the commentary (the "CRS").";

(ii) omit sub-paragraph (b);

(iii) for sub-paragraph (c), substitute—

"(c) the agreement reached between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America to improve international tax compliance and to implement FATCA, signed on 12th September 2012 and amended in June 2013 and February 2019(**b**) ("the FATCA agreement")";

(b) omit paragraph (3A);

(c) in paragraph (6), omit "222 or";

(d) after paragraph (6), insert—

"(7) In its application for the purpose of these Regulations, the CRS is to be read as if—

(a) the optional wording in paragraph 36sexies of the commentary to Section VIII of the CRS adding the term "qualified non-profit entity" were included in the definition of "non-reporting financial institution" at sub-paragraph B(1)(f),

(b) the optional wording in paragraph 36sexies of the commentary to Section VIII of the CRS defining the term "qualified non-profit entity" were included at sub-paragraph B(10), and references in that wording to "Jurisdiction" were a reference to the United Kingdom,

(c) the published list referred to in Section VIII(D)(4)(ii) (definition of reportable jurisdiction) were the list contained in a notice published by the Commissioners further to this regulation, and

(d) the published list referred to in Section VIII(D)(5)(ii) (definition of participating jurisdiction) were the list contained in a notice published by the Commissioners further to this regulation.".

Amendment of regulation 3 (due diligence requirements)

4. In regulation 3(4B)—

(a) in sub-paragraph (a), omit "Section VIII(B)(8)(b) (qualified credit card issuer)" and "and Section VIII(C)(17)(f)(ii) (excluded accounts)";

(**a**) The OECD (2023), International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 update to the Common Reporting Standard is available at https://doi.org/10.1787/896d79d1-en and a hard copy is available for inspection at the offices of HMRC at 14 Westfield Avenue, Stratford, London E20 1HZ.

(**b**) That agreement, as signed on 12th September 2012, is contained in a Command Paper published by the Stationery Office Ltd with the title "Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA" (Cm 8445, 2012). Annex II to the agreement was amended by an exchange of notes between the two governments dated 3rd June and 7th June 2013, which is contained in a Command Paper published by the Stationary Office Ltd with the title "Exchange of Notes between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America Updating and Amending the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA done at London on 12 September 2012" (Cm 8656, 2013). Annex II was further amended by a competent authority agreement signed by HMRC and the US Internal Revenue Service (IRS) on 13th and 14th February 2019 with the title "Agreement between the Competent Authority of the United States of America and the Competent Authority of the United Kingdom of Great Britain and Northern Ireland to Update Annex II of the Agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland to Improve International Tax Compliance and to Implement FATCA". Copies of the agreement signed on 12th September 2012, the exchange of notes dated 3rd June and 7th June 2013 and the competent authority agreement signed on 13th and 14th February 2019 are available at https://www.gov.uk/government/publications/uk-us-automatic-exchange-of-information-agreement/uk-us-automatic-exchange-of-information-agreement and hard copies are available for inspection at the offices of HMRC at 14 Westfield Avenue, Stratford, London E20 1HZ.

(b) after sub-paragraph (b), omit "and" and insert—

"(ba) in Section VIII(B)(8)(b) (qualified credit card issuer) and Section VIII(C)(17)(f)(ii) (excluded accounts), 1 January of the year following the calendar year in which the reporting financial institution implemented the policies and procedures required by those provisions, and".

Insertion of regulation 7A (reporting of gross proceeds: CRS)

5. After regulation 7 (electronic return system), insert—

"Reporting of gross proceeds: CRS

7A.—(1) Where a reporting financial institution elects to report the gross proceeds from the sale or redemption of a financial asset which are reported by the reporting financial institution under the OECD Crypto-Asset Reporting Framework in accordance with Section 1G of the CRS(**a**), such election must be made by notice to HMRC.

(2) Notice under paragraph (1) must be given on or before 31st May following the end of the calendar year to which it relates.

(3) A notice given under paragraph (1) has effect for the calendar year to which it relates, and for all subsequent calendar years until it is withdrawn, including the calendar year in which it is withdrawn.

(4) The form and manner in which a notice under paragraph (1) is to be given and withdrawn is specified in specific or general directions given by the Commissioners for HMRC under this regulation.".

Insertion of regulation 10A (registration with HMRC)

6. After regulation 10 (notification to individual reportable persons), insert—

"Registration with HMRC

10A.—(1) A reporting financial institution and a specified non-reporting financial institution(**b**) must register with HMRC on or before the later of—

(a) 31st December 2025, and

(b) 31st January of the year following the calendar year in which it first falls within the definition in Section VIII (A)(1) of the CRS, Section VIII(B)(1)(e) of the CRS, Article 1(o) of the FATCA agreement or paragraph II(D) of Annex II to the FATCA agreement.

(2) Registration must be effected by the giving of notice to HMRC.

(3) A notice under paragraph (2) must contain the information, and be given in the form and manner, specified in specific or general directions given by the Commissioners for HMRC under this regulation.".

Omission of regulations 12A to 12F (client notification obligations) and prior heading

7.—(1) Omit the italic heading before regulations 12A to 12G (client notification obligations).

(**a**) The OECD Crypto-Asset Reporting Framework, first published in 2022 and subsequently amended in June 2023 and October 2023, is available at https://doi.org/10.1787/896d79d1-en and a hard copy is available for inspection at the offices of HMRC at 14 Westfield Avenue, Stratford, London E20 1HZ.

(**b**) The meaning of "specified non-reporting financial institution" is given in regulation 24(1).

(2) Omit regulations 12A to 12F.

Amendment of regulation 12G (provision of information)

8. In regulation 12G(1), for "reporting financial institution, UK representative, specified financial institution or specified relevant person", substitute "financial institution or UK representative".

Insertion of regulation 12GA (provision of a valid self-certification)

9. After regulation 12G (provision of information), insert—

"Provision of a valid self-certification

12GA. Where a reporting financial institution requests a self-certification from an individual account holder, an entity account holder or a controlling person of an entity account holder (a 'self-certification provider'), the self-certification provider must provide the self-certification requested—

(a) in the case of a self-certification under the CRS, in accordance with the requirements of Sections III to VI and the commentary on those sections, and

(b) in the case of a self-certification under the FATCA agreement, in accordance with the requirements of Annex 1 to that agreement.".

Amendment of regulation 12H (liable persons)

10. In regulation 12H—

(a) in paragraph (1), for "regulations 13,14,15 and 16", substitute "these regulations";

(b) in paragraph (1)(a), for "reporting financial institution, UK representative or specified financial institution", substitute "financial institution or UK representative";

(c) in paragraph (3), omit sub-paragraphs (a) and (b).

Omission of regulations 12 to 22 (penalties for breach of obligations)

11. Omit regulations 13 to 22.

Insertion of regulations 22A to 22N (penalties for breach of obligations)

12. After regulation 22 (enforcement of penalties), insert—

"Penalties for failure to apply due diligence procedures

22A.—(1) Subject to paragraph (2), if a reporting financial institution or UK representative fails to comply with regulation 3 (due diligence requirements), the reporting financial institution or UK representative is liable to a penalty not exceeding £100 for each account holder or controlling person in respect of which the reporting financial institution or UK representative fails to apply the due diligence procedures in regulation 3(3)(b) or 3(3)(c).

(2) Where the failure in question is a failure to obtain a valid self-certification required by the CRS or the FATCA agreement, the reporting financial institution is liable to a penalty not exceeding £300 for each account holder or controlling person in respect of which the reporting financial institution or UK representative fails to apply the due diligence procedures in regulation 3(3)(b) or 3(3)(c).

Penalties for failure to comply with record-keeping requirements

22B.—(1) If a reporting financial institution or UK representative fails to comply with regulation 3(2A) or 3(2B) (record-keeping), the reporting financial institution or UK representative is liable to a penalty not exceeding £5,000 for each reportable period in respect of which one or more failures have occurred.

(2) A failure has occurred in respect of a reportable period if the failure pertains to records which relate to that reportable period for the purposes of regulation 3(1), 3(2) or 3(3).

Penalties for late returns

22C. If a reporting financial institution or UK representative fails to make a return required under regulation 6 (reporting obligation) on or before the date specified in paragraph 6(4), the reporting financial institution or UK representative is liable—

(a) to a penalty not exceeding £5,000, and

(b) if the failure continues after notice of an assessment of a penalty under paragraph (a) is issued, to a penalty or penalties not exceeding £600 for each subsequent day on which the failure continues.

Penalties for inaccurate or incomplete returns

22D. If a reporting financial institution or UK representative makes a return under regulation 6(1) (reporting obligation) which contains inaccurate information, or which is incomplete, the reporting financial institution or UK representative is liable to a penalty not exceeding £100 for each account holder or controlling person in respect of which the information in the return is inaccurate or incomplete, where—

(a) the inaccuracy or incompleteness is deliberate,

(b) the inaccuracy or incompleteness is due to a failure to take reasonable care, or

(c) the reporting financial institution or UK representative discovers the inaccuracy or incompleteness some time later and fails to take reasonable steps to inform HMRC.

Penalties for failure to provide notification to individual reportable persons

22E. If a reporting financial institution or UK representative fails to comply with regulation 10 (notification to individual reportable persons), the reporting financial institution or UK representative is liable—

(a) to a penalty not exceeding £100 for each reportable person in respect of which one or more failures have occurred, and

(b) if any of the failures continue after notice of an assessment of a penalty under paragraph (a) is issued, to a penalty or penalties not exceeding £100 for each subsequent day on which any of the failures continue.

Penalties for failure to register with HMRC

22F. If a reporting financial institution, specified non-reporting financial institution or UK representative fails to comply with regulation 10A (registration with HMRC), the reporting financial institution, specified non-reporting financial institution or UK representative is liable—

(a) to a penalty not exceeding £1,000, and

(b) if the failure continues after notice of an assessment of a penalty under paragraph (a) is issued, to a penalty or penalties not exceeding £300 for each subsequent day on which the failure occurs.

Penalties for failure to provide information

22G. If a financial institution or UK representative fails to comply with regulation 12G (provision of information), the financial institution or UK representative is liable—

(a) to a penalty not exceeding £5,000, and

(b) if the failure continues after notice of an assessment of a penalty under paragraph (a) is issued, to a penalty or penalties not exceeding £600 for each subsequent day on which the failure occurs.

Penalties for failure to provide a valid self-certification

22H. If a self-certification provider fails to provide a self-certification under regulation 12GA (provision of a valid self-certification), the self-certification provider is liable to a penalty not exceeding £300—

(a) where the failure is deliberate, or

(b) where the failure is due to a failure to take reasonable care.

Reasonable excuse

22I.—(1) Liability to a penalty under regulations 22A to 22H does not arise if the person liable to the penalty satisfies an Officer of Revenue and Customs or, on an appeal notified to the tribunal, the tribunal that there is a reasonable excuse for a failure to do anything required to be done under the applicable regulation.

(2) For the purposes of this regulation, neither of the following is a reasonable excuse—

(a) that there is an insufficiency of funds to do something;

(b) that a person relies upon another person to do something.

(3) If a person had a reasonable excuse for a 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.

Duplication of liability to penalties

22J.—(1) A reporting financial institution or UK representative cannot be liable to penalties under any two or more of regulations 22A (failure to comply with due diligence procedures), 22B (failure to comply with record-keeping requirements), and 22D (inaccurate or incomplete reports) in respect of the same act or omission.

(2) Where, apart from paragraph (1), a reporting financial institution or UK representative would be so liable, the reporting financial institution or UK representative is liable to a penalty in respect of that act or omission under whichever of regulations 22A, 22B and 22D is, in the opinion of an officer of Revenue and Customs, correct or appropriate in the circumstances.

Assessment of penalties by HMRC

22K.—(1) An officer of Revenue and Customs may make an assessment imposing a penalty under any of regulations 22A to 22H and setting it at such amount as, in the opinion of the officer, is appropriate.

(2) Notice of an assessment of a penalty under this regulation must—

(a) be given to the person liable to the penalty,

(b) state the date on which it is issued and the time within which an appeal against the assessment may be made, and

(c) in the case of an assessment of a penalty under regulation 22A, 22B, 22C, or 22D, state the reportable period in respect of which the penalty is assessed.

(3) Subject to paragraph (4), after a notice of assessment of a penalty under this regulation has been given, the assessment must not be altered except on appeal.

(4) If it is discovered by an officer of Revenue and Customs that the amount of a penalty under regulation 22C(b), 22E(b), 22F(b) or 22G(b) which has been assessed under this regulation is or has become insufficient, the officer may make an assessment in a further amount so that the penalty is set at the amount which, in the opinion of that officer, is appropriate.

Time limits and treatment of penalties

22L.—(1) An assessment of a penalty under regulation 22B, 22C, 22E, 22F or 22G must be made within the period of 12 months beginning with the date on which the person became liable to the penalty.

(2) An assessment of a penalty under regulation 22A, 22D or 22H must be made—

(a) within the period of 12 months beginning with the date on which the inaccuracy, incompleteness or failure first came to the attention of an officer of Revenue and Customs, and

(b) within the period of 6 years beginning with the date on which the reporting financial institution or UK representative became liable to the penalty.

(3) A penalty assessed under regulation 22K is due and payable at the end of the period of 30 days beginning with the day on which the notice of assessment is issued.

(4) A penalty assessed under regulation 22K is to be treated for all purposes as if it were tax charged in an assessment and due and payable.

Right to appeal against penalty assessments

22M. An appeal may be brought against a penalty assessment under regulation 22K—

(a) on the grounds that liability to a penalty under any of regulations 22A to 22H does not arise, or

(b) as to the amount of a penalty assessed under any of regulations 22A to 22H.

Procedure on appeal

22N.—(1) Notice of an appeal under regulation 22M must—

(a) state the grounds of appeal, and

(b) be given—

(i) in writing;

(ii) before the end of the period of 30 days beginning with the date on which notice of the assessment under regulation 22K(2) was issued;

(iii) to HMRC.

(2) Subject to paragraph (3), the provisions of Part 5 of the Taxes Management Act 1970(**a**) relating to appeals have effect in relation to an appeal against an assessment under regulation 22M as they have effect in relation to an appeal against an assessment to income tax.

(3) On an appeal under regulation 22M that is notified to the tribunal, the tribunal may—

(a) if it appears that no liability to a penalty has arisen, set the assessment aside,

(b) if the amount assessed appears to be appropriate, confirm the assessment,

(c) if the amount assessed appears to be excessive, reduce it to such other amount (including nil) as the tribunal considers appropriate, or

(d) if the amount assessed appears to be insufficient, increase it to such amount not exceeding the permitted maximum as the tribunal considers appropriate.".

Amendment of regulation 23 (anti-avoidance)

13. In regulation 23—

(a) in sub-paragraph (a), omit "reporting financial institution, UK representative, specified financial institution or specified relevant";

(b) in sub-paragraph (b), omit "the institution or representative in".

Amendment of regulation 24 (definitions)

14. In regulation 24—

(a) in paragraph 1, before the definition of "the tribunal", insert—

""specified non-reporting financial institution" means a non-reporting financial institution which is a trust within the meaning of Section VIII(B)(1)(e) of the CRS or paragraph II(D) of Annex II to the FATCA agreement,";

(b) in paragraph (2), in the table—

(i) omit the entries relating to "specified financial institution" and "specified relevant person";

(ii) in the entry relating to CRS, for "regulation 1(3A)", substitute "regulation 1(3)(aa)";

(iii) in the entry relating to "participating jurisdiction", for "Schedule 1", substitute "regulation 1(7)(d)";

(iv) in the entry relating to "reportable jurisdiction", in the second column insert "regulation 1(7)(c)";

(v) after the entry relating to "pre-existing entity account", insert—

"qualified non-profit entity	regulation 1(7)(b)		Section VIII(B)(10) of the CRS in paragraph 36sexies of the commentary to Section VIII of the CRS";	

(vi) after the entry relating to "relevant agreement", insert—

"self-certification provider	regulation 12GA			

(**a**) 1970 c. 9.

specified non-reporting financial institution	regulation 24(1)".			

Omission of Schedule 3 (client exchange of tax information notification)

15. Omit Schedule 3.

Anna Turley
Jeff Smith

24th June 2025 Two of the Lords Commissioners of His Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the International Tax Compliance Regulations 2015 (S.I. 2015/878) ("the principal Regulations") which give effect to agreements and arrangements reached between the United Kingdom and other jurisdictions to improve international tax compliance.

Regulation 1(2) provides for the changes to the reporting obligations in regulation 6 of the principal Regulations arising from the update to the common reporting standard for automatic exchange of information ('CRS') contained in the OECD (2023) International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 Update to the Common Reporting Standard to take effect in relation to the calendar year 2026 onwards.

Regulation 3 amends regulation 1 of the principal Regulations to refer to the 2023 update to the CRS and amend the definition of the FATCA agreement, to provide for the inclusion of certain optional wording in the commentary to the CRS and to make express provision for the publication of lists of reportable and participating jurisdictions by HMRC Commissioners.

Regulation 4 amends regulation 3 of the principal Regulations to extend the deadlines for a financial institution to meet the definition of a qualified credit card issuer and an account to meet the definition of an excluded account.

Regulation 5 inserts regulation 7A into the principal Regulations. This sets out the mechanism for a reporting financial institution to notify HMRC of its election to report the gross proceeds from the sale or redemption of a financial asset under the CRS in addition to the OECD Crypto-Asset Reporting Framework.

Regulation 6 inserts regulation 10A into the principal Regulations. This requires reporting financial institutions and certain non-reporting financial institutions to register with HMRC.

Regulation 7 omits the obsolete client notification obligations in regulations 12A to 12F in the principal Regulations and regulation 8 amends regulation 12G of the principal Regulations to omit references to certain terms used in regulations 12A to 12F and extend its scope to financial institutions, where it currently applies only to reporting financial institutions.

Regulation 9 inserts regulation 12GA into the principal Regulations. This requires an account holder or a controlling person of an entity account holder from whom a reporting financial institution requests a self-certification to provide a self-certification that meets the requirements of the CRS or the FATCA agreement as appropriate.

Regulation 10 extends the scope of regulation 12H of the principal Regulations so that it applies to financial institutions and not merely reporting financial institutions. It also omits unnecessary wording from the definition in paragraph 3.

Regulation 11 omits regulations 13 to 22 of the principal Regulations and regulation 12 inserts regulations 22A to 22N in their place. These make provision for penalties for breach of obligations in these regulations, including a penalty for breach of the new obligation on account holders or controlling persons of account holders to provide a valid self-certification when required to do so by a reporting financial institution and a penalty for failing to register with HMRC.

Regulation 13 amends the anti-avoidance provision in regulation 23 of the principal Regulations by omitting certain obsolete and unnecessary references.

Regulation 14 amends regulation 24 of the principal Regulations by adding a definition of specified non-reporting financial institution and adding, amending and omitting terms within the table of definitions in paragraph 2.

Regulation 15 omits Schedule 3 to the principal Regulations, which is obsolete following the removal of the client notification obligations in regulations 12A to 12F.

A Tax Information and Impact Note covering this instrument will be published on the website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.

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