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Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA/MDFWL/10656/24

Peredur Owen Griffiths, MS
Chair
Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1SN

26 November 2024

Dear Peredur,

Visitor Accommodation (Register and Levy) Etc. (Wales) Bill

Following the introduction of the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill into the Senedd on 25 November, please find attached a copy of the statement of policy intent. As indicated through my oral statement on the 26 November, I also attach some indicative additional registration provisions which we intend to table at stage 2. These documents are provided to support the Committee's scrutiny of the Bill.

I look forward to providing evidence to the Committee in due course.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely,

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru
Welsh Government

Visitor Accommodation (Register and Levy) Etc. (Wales) Bill

Policy intent for subordinate legislation to
be made under this Bill

November 2024

VISITOR ACCOMMODATION (REGISTER AND LEVY) ETC. (WALES) BILL ("THE BILL") POLICY INTENT FOR SUBORDINATE LEGISLATION

This document provides an indication of the current policy intention for the subordinate legislation that the Welsh Ministers are empowered or required to make under the provisions of the Bill. It has been published in order to assist Committees during the scrutiny of the Bill and should be read in conjunction with Chapter 5 of the Explanatory Memorandum and Explanatory Notes.

The Bill will create a register of visitor accommodation providers and also give local authorities powers to introduce a visitor levy (the levy). The money raised by the levy will support sustainable tourism, helping our communities and preserving the beauty of Wales for future generations. The levy will represent a small proportion of a visitor's overall spend. Each local authority in Wales will have the power to decide if they want to introduce the levy in their area.

The levy follows the [Welsh Government's tax principles](#):

- to raise revenue to fund public services as fairly as possible
- deliver Welsh Government policy objectives, in particular supporting jobs and growth
- be clear, stable and simple
- be developed through collaboration and involvement
- contribute directly to the Well-being of Future Generations (Wales) Act 2015 goal of creating a more equal Wales

The purpose of the levy is to raise additional revenue for local authorities to reinvest in the public services and infrastructure that make tourism a success. Parts of Wales experience high numbers of seasonal visitors with visitors making extensive use of public goods and infrastructure such as roads. A visitor levy would help fund costs from hosting visitors and enable additional public investment in tourism related infrastructure.

The purpose of a register of visitor accommodation providers is to support the collection and administration of the levy and to provide data and intelligence to Welsh Government and local authorities on the types of visitor accommodation available across Wales, to support future tourism and housing policy development. A national scheme will give valuable and accurate evidence to local authorities when considering whether to introduce a visitor levy in the future.

[Tourism](#) provides a substantial economic contribution to Wales. Tourism-related expenditure was more than £5 billion in 2019. Welsh Government want to continue to see a thriving tourism industry in Wales.

The Welsh Ministers have considered the use of powers in the Bill as set out below and are satisfied they are necessary and justified.

Overview of the Bill

The Bill contains 4 Parts and 1 Schedule:

- Part 1 provides an overview of the Bill and key terms which are used within the legislation. It defines:
 - visitor accommodation and a visitor accommodation provider for the purposes of registration.
- Part 2 outlines the provisions for a national registration scheme of visitor accommodation providers which includes:
 - a duty on Welsh Ministers to maintain a register of visitor accommodation providers and a description of the information that register must contain
 - an obligation on visitor accommodation providers to be registered and regulation making powers for Welsh Ministers to exempt a visitor accommodation provider from this requirement
 - provisions to enable publication of information derived from the register
 - regulation making powers for Welsh Ministers to make further provision relating to:
 - (a) the application of the Part to partnerships and unincorporated bodies;
 - (b) the procedures for registration (including variation and cancellation of registration);
 - (c) authorising or requiring disclosure of information contained in the register;
 - (d) enforcement of the Part, including provision for—
 - (i) offences or penalties relating to failures to comply with any requirements in or under the Part;
 - (ii) reviews and appeals.
- Part 3 outlines the provisions for the levy which includes:
 - The power of principal councils to introduce a levy on overnight stays in visitor accommodation in their area,
 - Definition of what is an overnight stay
 - Liability to pay the levy and calculating the levy due on the overnight stay ,
 - Rates of the levy, and changes to the levy rates
 - Determining which rate applies for specified accommodation types and specified stays, and provision to adjust the application of the rates
 - Provision to provide for a premium rate to be introduced by principal councils who have implemented the levy
 - Applications to the Welsh Revenue Authority (WRA) for repayments of amounts equivalent to the levy incurred by certain visitors
 - Submitting returns and payment of the levy to the WRA
 - The collection and management of the levy by the WRA , including changes to the Tax Collection and Management(Wales) Act 2016 (the TCMA) to ensure that it functions for both the levy and devolved taxes. There are also a small number of miscellaneous operational changes to the TCMA that impact both the levy and the devolved taxes.

- How proceeds of the levy must be used by principal councils
 - How a principal council may introduce, change or abolish the levy in their area
 - Application of the levy in special cases e.g. Duties and liabilities of partnerships and unincorporated bodies and death and insolvency
 - Miscellaneous provisions relating to the levy including a power to impose advertising and billing requirements and for the Welsh Ministers to issue guidance
- Part 4 includes provision to extend the application of the Bill to berths and moorings alongside other general provisions such as the power to make consequential and transitional provisions. .

Other documentation

This document should be read in conjunction with the following:

- The Visitor Accommodation (Register and Levy) Etc. (Wales) Bill
- The Explanatory Notes to the Bill; and
- The Explanatory Memorandum to the Bill

Section	Form	Proposal and Description of Powers	Procedure
Part 1, Section 2(5)	Regulations	Regulation making power to enable the Welsh Ministers to make regulations, to amend section 2 to: (a) provide that a type of accommodation, or accommodation of a particular description, is or is not visitor accommodation; (b) vary the description of a type of accommodation.	Draft Affirmative

Policy purpose and intent

The policy intention for this regulation making power is to enable the description of types of accommodation, or accommodation of a particular description to be treated, or not treated, as visitor accommodation for the purposes of the Bill and to enable the description of a type of accommodation to be varied. The tourism sector is evolving, and it will be important for the legislation to keep pace with any sectoral changes, and to ensure the current descriptions remain appropriate, so that the register accurately reflects and depicts the visitor accommodation available. The Welsh Ministers have no immediate intention to use this power.

The Senedd will be provided the opportunity to scrutinise and vote on any proposed changes as such changes will affect the duties placed on persons and their exposure to any associated visitor levy and registration obligations.

Section	Form	Proposal and Description of Powers	Procedure
Part 2, Section 4(5)	Regulations	Regulation making power for Welsh Ministers to add, vary or remove a description of information specified in subsection 2 (what an entry in the register must contain).	Draft Affirmative

Policy Purpose and Intent

This power enables the Welsh Ministers to add, vary or remove a description of information to be included in the register of visitor accommodation providers operating in Wales that the Welsh Ministers are obliged to maintain. As the register develops and new types of visitor accommodation provider develop and/or new types of visitor accommodation develop, it will be important to ensure that the information required within the register remains appropriate.

The Senedd will be provided the opportunity to debate and vote on any regulations, to ensure effective scrutiny regarding use of these powers.

Section	Form	Proposal and Description of Powers	Procedure
Part 2, Section 5(2)	Regulations	Regulation making power for Welsh Ministers which provide for a Visitor Accommodation Provider to be exempted from the requirement to register.	Draft Affirmative

Policy Purpose and Intent

The Welsh Ministers are obliged to maintain a register of visitor accommodation providers operating in Wales. The visitor accommodation providers are placed under an obligation to be registered in respect of the visitor accommodation they provide or offer to provide. The Welsh Ministers are provided with a power to exempt certain visitor accommodation providers where it is considered inappropriate that they should be under the obligation to register. This power does not permit the Welsh Ministers to exempt a specific visitor accommodation provider, by name but provides power to exempt visitor accommodation providers by reference to a description. For example, there may be accommodation that is provided for longer-term residential, or on another basis, where registration by the visitor accommodation provider is considered unnecessary or inappropriate.

The Senedd will be provided the opportunity to scrutinise and vote on any proposed changes given that they will affect the duties placed on persons to register.

Section	Form	Proposal and Description of Powers	Procedure
Part 2, Section 7	Regulations	<p>Regulation making power for Welsh Ministers to make provision about the register and registration requirements including:</p> <p>(a) the application of this Part to partnerships and unincorporated bodies;</p> <p>(b) the procedures for registration (including variation and cancellation of registration);</p> <p>(c) authorising or requiring disclosure of information contained in the register;</p> <p>(d) enforcement of this Part, including provision for—</p> <p>(i) offences or penalties relating to failures to comply with any requirements in or under this Part;</p> <p>(ii) reviews and appeals.</p>	Draft Affirmative

Policy Purpose and Intent

The Welsh Ministers are provided with a power to make provision about the register and registration requirements. Section 7 lists the types of areas that the power may be used to address, including additional aspects of registration application that may be required in respect of partnerships and unincorporated bodies and the procedure for registration. The power also enables the Welsh Ministers to authorise or require disclosure of information in the register, and to create offences for a visitor accommodation provider failing to register including penalties, and a review and appeal procedure. The intention is for the Welsh Ministers to create a register that contains the appropriate information and to ensure compliance by visitor accommodation providers through the creation of offences where they fail to comply with their registration obligations.

The Senedd will have the opportunity to scrutinise and debate the detail of any proposed regulations to ensure proportionality and accountability of the Welsh Ministers when exercising the power. Furthermore, impact assessment work, including a Justice Impact Assessment in relation to creation of new offences, will be undertaken and presented alongside any regulations introduced to the Senedd under this power.

Section	Form	Proposal and Description of Powers	Procedure
Part 3, Section 9(5)	Regulations	Regulation making power for Welsh Ministers to add, remove or change the descriptions of circumstances in which an overnight stay in visitor accommodation does or does not take place	Draft Affirmative

Policy Purpose and Intent

Section 9 provides the definition of overnight stays in visitor accommodation. The definition provides that stays that are longer than 31 nights are not overnight stays and also for exemptions in specified circumstances (such as in relation to immigration, bail or offender management). The Welsh Ministers have been provided with a regulation making power to add, remove or change descriptions of circumstances in which an overnight stay in visitor accommodation does or does not take place. This will enable the Welsh Ministers to respond to changing circumstances.

The Senedd will be provided the opportunity to scrutinise and vote on these regulations as they will define overnight stays which are subject to the levy or not.

Section	Form	Proposal and Description of Powers	Procedure
Part 3, Section 12(2)	Regulations	Regulation making power for Welsh Ministers to revise the levy rates that are set in legislation	Draft Affirmative
Part 3, Section 13(4)	Regulations	Regulation making power for Welsh Ministers to amend which overnight stays are subject to the lower, higher or nil rate	Draft Affirmative
Part 3, Section 13(5)	Regulations	Regulation making power for Welsh Ministers to set evidence requirements for nil rated stays and to establish arrangements for issuing of vouchers for the purposes of proving a nil rated stay in visitor accommodation	Draft Affirmative

Policy Purpose and Intent

The Welsh Ministers are provided with a number of powers that relate to the effective setting of the levy rates. The first rates for the levy are set out in section 12(1) of the Bill. Section 12(2) enables the Welsh Ministers to lay regulations subject to debate and vote within the Senedd, to change those rates.

Section 13(4) provides the Welsh Ministers with a regulation making power to add, remove or vary a type of visitor accommodation or accommodation of a particular description in relation to which overnight stays are subject to the lower, higher or nil rates.

Section 13(5)(a) provides the Welsh Ministers with a regulation making power enabling them to specify the information or documents that will be necessary for a visitor accommodation provider to prove that an overnight stay was subject to the lower or nil rate. Section 13(5)(b) provides the Welsh Ministers with a power to develop a voucher system so that visitor accommodation

providers may demonstrate that a nil rated overnight stay has occurred. Currently only one type of stay is subject to the nil rate - an overnight stay in visitor accommodation arranged by or provided on behalf of a principal council to address homelessness.

The intention for these three regulation making powers (sections 12(2), 13(4) and 13(5)) is to ensure that the levy rates deliver on the policy objectives and, over time, continue to reflect their current relationship with the price of overnight stays. The section 13(4) power will enable the Welsh Ministers to change the types and descriptions of accommodation that fall within each rate, including in response to tourism sector representations and evidence. The section 13(5)(a) power to provide rules for evidence of the applicability of the lower or nil rate is to ensure that visitor accommodation providers are applying the lower and nil rate properly and that such information will be made available to the WRA in the event of any concerns with the accuracy of returns made by visitor accommodation providers.

The Senedd will be provided the opportunity to scrutinise and vote on these regulations before they are made.

Section	Form	Proposal and Description of Powers	Procedure
Part 3, Section 14(3)	Regulations	Regulation making power for the Welsh Ministers to make regulations specifying the maximum amount of the premium which may be added by a principal council.	Draft affirmative

Policy Purpose and Intent

Principal councils will be able to charge a premium in addition to the levy rates set in Bill (or subsequently by regulations under section 12(2)). The Welsh Ministers are provided with a power to enable them to set a maximum amount that a principal council may add to the lower or higher rates of the levy (or both) by way of that premium. The power will enable the Welsh Ministers to ensure, if necessary, that any premium rates introduced are proportionate.

The Senedd will be provided the opportunity to scrutinise and vote on these regulations before they are made.

Section	Form	Proposal and Description of Powers	Procedure
Part 3, Section 15(6)	Regulations	Regulation making power for the Welsh Ministers to add to the list of scenarios in which a repayment of an amount equivalent to levy paid to visitors may apply and to amend the definition of disability benefit.	Draft affirmative

Policy Purpose and Intent

A repayment of an amount equivalent to levy paid by a visitor is possible and the conditions are set out in section 15.

The Welsh Ministers are provided with a regulation making power (section 15(6)(a)) to enable them to add, amend or remove the circumstances in which an application for a repayment can be made including adding new scenarios that would be eligible for a refund. The section 15(6)(a) power will allow Welsh Ministers to make changes to the definition of 'disability benefit', again this will ensure that the refund process operates within the most up to date regulatory framework.

The Senedd will be provided the opportunity to scrutinise and vote on these regulations before they are made.

Section	Form	Proposal and Description of Powers	Procedure
Part 3, Section 17(3)(a)	Regulations	Regulation making power for the Welsh Ministers to determine the threshold amount of levy at which a visitor accommodation provider may submit an annual return	Negative
Part 3, Section 17(3)(b)	Regulations	Regulation making power for the Welsh Ministers to determine what evidence a visitor accommodation provider may or must submit to the WRA to be eligible to file an annual return	Negative

Policy Purpose and Intent

The Bill provides the Welsh Ministers with two powers that can impact on whether a taxpayer is obliged to make quarterly or annual returns. The bill provides that where a taxpayer collects, or anticipates collecting, no more than £1,000 over a financial year that they may file their return annually. The section 17(3)(a) power enables the Welsh Ministers to make regulations to change the amount of visitor levy for this purpose from £1,000. The intention is to enable the relevant amount to be amended if it is evident that it is too high or low in practice, and over time to reflect inflationary changes.

The power provided by section 17(3)(b) will enable the Welsh Ministers to set out evidentiary requirements that visitor accommodation providers must provide if they wish to file annually. Annual returns are intended to capture smaller visitor accommodation providers, further evidence in practice may be necessary for the WRA to make this assessment.

Regulations of this nature will be subject to the negative procedure as they are operational in nature.

Section	Form	Proposal and Description of Powers	Procedure
Part 3, Section 24(4)	Regulations	Regulation making power for the Welsh Ministers to amend section 24 in respect of the content, number, frequency and deadline for the publication of the report principal councils must publish on the proceeds of the levy and how they have been allocated towards destination management and improvement.	Negative

Policy Purpose and Intent

The Welsh Government wants to ensure a consistent approach to the reporting requirements placed on the principal councils that have chosen to implement a visitor levy in their area. The intention is that there is a high degree of transparency for levy payers, visitors and residents as to how the revenues have been allocated to support destination management and improvement. It may be necessary for the Welsh Ministers to make regulations to ensure that consistent and sufficiently detailed reporting by principal councils occurs by placing a statutory requirement on those councils to publish specific details or amend the number, frequency and/or date by which the report must be published.

Regulations of this nature will be subject to the negative procedure as they are operational in nature.

Section	Form	Proposal and Description of Powers	Procedure
Part 3, Section 31	Regulations	Regulation making power for the Welsh Ministers to make further provision about partnerships and unincorporated bodies.	Draft affirmative
Part 3, Section 33(1)	Regulations	Regulation making power for the Welsh Ministers to make further provision about death, incapacity and insolvency.	Draft affirmative
Part 3, Section 34(1)	Regulations	Regulation making power for the Welsh Ministers to make provision about transfers of businesses as going concerns.	Draft affirmative

Policy Purpose and Intent

These provisions are necessary to ensure appropriate tax liabilities and obligations arise for differing types of levy payers, for situations that may arise in relation to levy payers, or those levy payers when a business is transferred as a going concern. Section 31 provides a power for the Welsh Ministers to make regulations to create, amend, repeal or revoke rules that set out how either partnerships or unincorporated bodies will be impacted by the obligations placed on visitor accommodation providers that are operated by partnership or unincorporated bodies. How the visitor levy is to apply to partnerships and unincorporated bodies is set out in section 30 of the Bill. Ensuring that tax liabilities are correctly assessed, and members of different kinds of partnership and unincorporated bodies are aware of their obligations and liabilities, is important to for collection of the levy and fairness for those members.

Section 32 sets out a series of rules in relation to specific situations that arise where a levy payer dies, becomes incapacitated or be subject to an insolvency process. The rules largely cover situations where another person takes responsibility for the operation

of the visitor accommodation providers business. The regulation making power enables the Welsh Ministers to introduce, amend, repeal or revoke any provisions relating to where a person dies, becomes incapacitated or is subject to an insolvency process. The power will include the creation of penalties for failure to comply with the obligations placed on the person who carries on the business of the person who has died, become incapacitated or is the subject of an insolvency process. The power in section 33 will enable the Welsh Ministers with the opportunity to make regulations to provide clarity as to what obligations and I apply in these situations.

Section 34 provides the Welsh Ministers with the power to make regulations to create rules for who will be responsible for the obligations under the Bill when a business has been transferred as a going concern from a current owner to a new owner. The use of the power may prove necessary if there are situations where there has not been a smooth transition of obligations and correct accounting of liabilities from one owner to the next.

The Senedd will be provided the opportunity to scrutinise and vote on regulations which will impact tax liabilities.

Section	Form	Proposal and Description of Powers	Procedure
Part 3, Section 37(1)	Regulations	Regulation making power for the Welsh Ministers to make provision about advertising and billing requirements for the levy	Draft affirmative

Policy Purpose and Intent

The power is intentionally wide and includes requirements relating to information on how and when the existence nature and amount of the levy is to be notified to visitors. The power also provides the Welsh Ministers with the power to impose a civil sanction, and provide for an appeals process, on a person who has not complied with a requirements created through regulations made under this section.

There is an expectation that visitor accommodation providers will bring the levy to the attention of visitors but a power is necessary should evidence emerge that this is not happening voluntarily.

The Senedd will be provided the opportunity to scrutinise and vote on regulations which would impose new requirements on visitor accommodation providers and the creation of new offences.

Section	Form	Proposal and Description of Powers	Procedure
Part 4, Section 40	Regulations	Regulation making power for Welsh Ministers to amend the Bill and the Tax Collection and Management (Wales) Act 2016 so that the Bill applies to berths and moorings.	Draft affirmative

Policy Purpose and Intent

The Welsh Ministers are provided with a power to extend the provisions of Part 2 (register of visitor accommodation providers) and Part 3 (visitor levy) to those visitor accommodation providers that operate berths or moorings .

The Senedd will be provided the opportunity to scrutinise and vote on regulations which will impact registration and tax obligations and liabilities for those visitor accommodation providers who operate berths and moorings.

Section	Form	Proposal and Description of Powers	Procedure
Part 4, Section 41	Regulations	Regulation making power for the Welsh Ministers to make incidental, consequential, or supplemental provisions for the purposes of or in connection to the Bill.	Draft affirmative unless amending secondary legislation then any regulations made under this section will be subject to the negative procedure.

Policy Purpose and Intent

The Welsh Ministers are provided with a power to make incidental, consequential, or supplemental provision for the purposes of or in connection to the Bill.

This power would only be used for such matters as making changes to other legislation needed in consequence of the provisions of this Bill, or to deal with unforeseen details arising out of the implementation of the levy or register of visitor accommodation providers. Further transitional measures may also be necessary in relation to any provision made under regulation powers of this Bill. These are routine regulation making powers which are consistent with approach taken in other Acts of the Senedd. The Welsh Government requires the ability to make these regulations to ensure coherency and clarity of legislation.

The Senedd will be provided the opportunity to scrutinise and vote on regulations which will amend the Bill unless these relate to amendments to secondary legislation.

Section	Form	Proposal and Description of Powers	Procedure
<p>Paragraph 6 of Schedule 1</p> <p>This paragraph inserts a new section 24A with the regulation making power into the TCMA rather than a regulation making power that sits on the face of the Bill.</p>	<p>Regulations</p>	<p>Regulation making power for the Welsh Ministers in section 24A(5) of TCMA to determine how and what operating costs and disbursements will be deducted from any levy receipts collected before their remittance to principal councils.</p>	<p>Draft affirmative, see paragraph 32 of Schedule 1 that amends section 189(2) of TCMA</p>

Policy Purpose and Intent

The Welsh Revenue Authority will charge the principal councils for the collection and management of the levy. The Welsh Ministers are provided with a power to provide how and on what basis the Welsh Revenue Authority's operating costs and disbursements will be deducted from any levy receipts before their remittance to the principal councils.

The Welsh Government want to ensure that any costs which are deducted from visitor levy receipts are reasonable and apportioned in a fair manner across the relevant principal authorities. This approach will allow for the cost-effective operation of the collection and management of the levy and ensure that any costs allocated towards principal authorities are reasonable, proportionate and that the full ongoing costs of collecting and managing the levy is borne by the principal councils and not the Welsh Government.

The Senedd will be provided the opportunity to vote on any formula used to calculate costs to be deducted from levy receipts before remitting these to the principal councils. It is anticipated this will be of particular interest to the Senedd as any changes to the cost distribution of the levy could impact the income of the principal councils from the levy overall and deliver on the policy intention for the levy to be self-funding.

Penalties relating to registration

7A Penalties for failure to register

- (1) A visitor accommodation provider (“VAP”) that has failed to comply with section 5(1) (requirement to register) is liable to a penalty.
- (2) The penalty is to be calculated in accordance with the formula –

$$£300 \times A$$

where “A” is the number of premises in respect of which the VAP has failed to register.

- (3) Where a VAP is liable to a penalty under subsection (1), the Welsh Ministers must –
 - (a) assess the penalty, and
 - (b) impose the penalty by issuing notice to the VAP of the penalty assessed (“the penalty notice”), specifying the premises in respect of which the VAP failed to register (“the relevant premises”).
- (4) A VAP that is not registered in respect of one or more of the relevant premises after the period of 30 days beginning with the day on which the penalty notice was issued to the VAP (“the initial notice period”) is liable to a further penalty for each day on which –
 - (a) the VAP provides, or offers to provide, visitor accommodation at premises specified in the penalty notice, and
 - (b) the VAP is not registered in respect of the premises.
- (5) A penalty under subsection (4) is to be calculated in accordance with the formula –

$$£60 \times B$$

where “B” is the number of premises specified in the penalty notice –

- (a) at which the VAP provides, or offers to provide, visitor accommodation on the day to which the penalty relates, and
 - (b) in respect of which the VAP is not registered on the day to which the penalty relates.
- (6) Where a VAP is liable to a penalty under subsection (4), the Welsh Ministers must –
 - (a) assess the penalty, and
 - (b) impose the penalty by issuing notice to the VAP of the penalty assessed, specifying –
 - (i) the premises in respect of which the VAP is not registered on the day to which the penalty relates, and
 - (ii) the day to which the penalty relates.
- (7) In calculating the initial notice period, no account is to be taken of any day on which a decision relating to the penalty under subsection (1) is the subject of an appeal that has not yet been finally determined or withdrawn.

- (8) In this section, “registered” means registered in accordance with section 5(1).

7B Penalties for failures relating to information on the register

- (1) A VAP is liable to a penalty of £300 if –
- (a) the information contained in the VAP’s entry in the register is inaccurate, and
 - (b) the VAP has not given the Welsh Ministers the information necessary to correct the inaccuracy before the end of the period of 30 days beginning with the day the VAP became aware, or ought to have become aware, of the inaccuracy.
- (2) Where a VAP is liable to a penalty under subsection (1), the Welsh Ministers must –
- (a) assess the penalty, and
 - (b) impose the penalty by issuing notice to the VAP of the penalty assessed (“the penalty notice”), specifying the information that is inaccurate.
- (3) A VAP that fails to provide the Welsh Ministers with the information necessary to correct the inaccuracy before the end of the period of 30 days beginning with the day on which the penalty notice was issued to the VAP (“the initial notice period”) is liable to a further penalty of £60 for each day on which the failure continues.
- (4) Where a VAP is liable to a penalty under subsection (3), the Welsh Ministers must –
- (a) assess the penalty, and
 - (b) impose the penalty by issuing notice to the VAP of the penalty assessed, specifying –
 - (i) the information that is inaccurate, and
 - (ii) the day to which the penalty relates.
- (5) In calculating the initial notice period no account is to be taken of any day on which a decision relating to the penalty under subsection (1) is the subject of an appeal that has not yet been finally determined or withdrawn.
- (6) This section does not apply where, as a result of the failure to notify the Welsh Ministers that the information contained in the VAP’s entry in the register is inaccurate, the VAP is liable to a penalty under section 7A.

7C Reasonable excuse

- (1) This section applies where a VAP –
- (a) has failed to comply with section 5(1);
 - (b) has failed to give the Welsh Ministers the information necessary to correct an inaccuracy in the VAP’s entry in the register.
- (2) If the VAP satisfies the Welsh Ministers or (on appeal) the First-tier Tribunal that there is a reasonable excuse for the failure, the VAP is not liable to a penalty under section 7A or 7B (as the case may be).
- (3) For the purposes of this section –

- (a) where a person relies on another person to do anything, that is not a reasonable excuse unless the first person took reasonable care to avoid the failure;
- (b) where 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.

7D Powers to reduce, waive or suspend penalties

- (1) The Welsh Ministers may reduce a penalty under section 7A or 7B if they consider it right to do so because of special circumstances.
- (2) In subsection (1), “special circumstances” does not include ability to pay.
- (3) In subsection (1), the reference to reducing a penalty includes a reference to –
 - (a) waiving a penalty entirely, and
 - (b) suspending a penalty.

7E Assessment of penalties

- (1) An assessment of a penalty under section 7A(3)(a) or 7B(2)(a) must be made within the period of 12 months beginning with the day on which the Welsh Ministers first believed that the provider was liable to the penalty.
- (2) An assessment of a penalty under section 7A(6)(a) or 7B(4)(a) must be made within the period of 12 months beginning with the day to which the penalty relates.

7F Penalty notices: supplementary

A notice under section 7A or 7B must include (in addition to the information specified in those sections) information as to –

- (a) the grounds for the imposition of the penalty,
- (b) the period within which the payment is to be made,
- (c) representations that may be made relating to sections 7C and 7D, and
- (d) rights of appeal.

7G Payment of penalties

- (1) A penalty under section 7A or 7B must be paid before –
 - (a) the end of the period of 30 days beginning with the day on which the notice of the penalty is issued, or
 - (b) in the event of an appeal, the end of the period of 30 days beginning with the day on which the appeal is completed.
- (2) An amount payable under section 7A or 7B is recoverable as a civil debt due to the Welsh Ministers.

7H Power to make regulations about penalties

- (1) Regulations may make further or different provision about –
 - (a) the amounts of penalties under section 7A or 7B;

- (b) the procedure for assessing those penalties.
- (2) The regulations may amend this Act.

7I Appeals against penalties

- (1) A person on which a penalty has been imposed under section 7A or 7B may appeal to the First-tier Tribunal—
 - (a) against the decision to impose the penalty, on the ground that—
 - (i) the decision was based on an error of fact;
 - (ii) the decision was wrong in law;
 - (iii) the decision was unfair, unreasonable or wrong for any other reason;
 - (b) against the decision as to the amount of the penalty, on the ground that the amount is incorrect.
- (2) An appeal under subsection (1) must be made no later than 30 days after the date on which the notice is issued.
- (3) But the Tribunal may allow an appeal to be made after the expiry of that 30 day period if it is satisfied that there is a good reason for the failure to appeal before the expiry of that period (and for any delay in applying for permission to appeal out of time).
- (4) On appeal under subsection (1) the Tribunal may—
 - (a) affirm the decision to impose the penalty;
 - (b) vary the amount of the penalty;
 - (c) cancel the penalty.