HMRC - CFM99070 - Administration: Penalties: Assessment Payment And Enforcement Of Penalty

TIOPA10/SCH7A/PARA34

TIOPA10/SCH7A/PARA34 provides mechanics for enforcing a penalty under PARA30 or PARA32.

An officer of Revenue and Customs must assess the penalty, and notify the company, within 12 months of the day on which the inaccuracy was corrected. It must be paid with 30 days of its assessment or, where the penalty is appealed, within 30 days of the day on which the appeal is finally determined or withdrawn.

The penalty so assessed may be enforced as if the assessment were to corporation tax. An effect of this is that the provisions of CTA10/PT22/CH6 (Collection etc. of tax from UK representatives of non-UK resident companies) and CH7 (Recovery of unpaid corporation tax due from non-UK resident company) come into play. Chapter 7 enables unpaid corporation tax (and thus penalties under TIOPA10/SCH7A/PARA30 or 32 due from a non-UK resident company to be recovered from a related company. Companies will be related companies, under CTA10/S976, if both are 51% subsidiaries of the same company. Under TIOPA10/SCH7A/PARA34(4)(b), the penalty may be treated as if it were an assessment to corporation tax on any UK group company in the worldwide group.

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