HMRC - CFM99110 - Administration: Penalties: Penalties For Failure To Comply With Information Notices

TIOPA10/SCH7A/PARA66(1), FA08/SCH36/PT7

The penalties and offences provisions in FA08/SCH36/PTS7 and 8 are applied to the interest restriction information powers by TIOPA10/SCH7A/PARA66(1) - see CFM98970. For further guidance see also CH26000 et seq. A brief outline of the relevant provisions follows.

The initial penalty for failure to comply with an information notice is £300, FA08/SCH36/PARA39. Under FA08/SCH36/PARA40, there is a daily penalty of £60 for continuing default. There is no penalty if HMRC has allowed additional time to comply with a notice - FA08/SCH36/PARA44.

FA08/SCH36/PARA40A provides for penalties for a careless inaccuracy or deliberate inaccuracy. These terms are interpreted as at CFM 99030 in relation to inaccuracies in a return.

The maximum penalty is £3,000 (a figure that may be adjusted for inflation).

A penalty does not arise if the company satisfies HMRC that there is a reasonable excuse for a failure - FA08/SCH36/PARA 45.

A penalty must be assessed by HMRC, and the company notified- FA FA08/SCH36/PARA 46. Under FA08/SCH36/PARAS 47 and 48, the company has the right to appeal, in writing, within 30 days of notification, against the penalty itself, and the level of the penalty. The tribunal may confirm or cancel the decision on the penalty, or substitute another decision that HMRC was entitled to make.

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