HMRC - CH81131 - Inaccuracy Despite Taking Reasonable Care No Penalty Due - Examples

You must check the date from which these rules apply for the tax or duty you are dealing with. See You must check the date from which these rules apply for the tax or duty you are dealing with. See for full details.

Example 1

Graeme makes a transposition inaccuracy when filling in his Self Assessment return by writing down his car benefit as £5,190 instead of £5,910.

Example 2

Heidi rang our Contact Centre and gave all the relevant details, but despite this she was given inaccurate advice.

Example 3

XYZ Insurance Ltd specialises in home insurance. It relies on several agents to sell the insurance policies and to collect the premiums due. The agents are required to send XYZ a periodic report showing details of the policies sold, the amounts of premium, the commission due to the agents and Insurance Premium Tax (IPT). XYZ uses this information to compile its IPT return. Despite having extensive systems in place to capture and process the information, the agents are occasionally late in sending their reports to XYZ. As a consequence, XYZ does not always have all the information it requires in time to compile its IPT returns. So XYZ follows the guidance in the IPT Public Notice and estimates the gross premium. Estimation should be based on a representative sample of the final selling price charged by XYZ’s intermediaries. XYZ should agree any estimation with HMRC.

Example 4

KBY Oil Ltd makes its return based on figures obtained from meter readings. The meter is checked and calibrated on a regular basis. KBY later discovers that due to an unexpected failure of a minor component their meter was inaccurate by an amount outside the tolerance range and the return is inaccurate.

Previous page

Next page