HMRC - CH82470 - Maximum And Minimum Penalties For Each Type Of Behaviour

You must check the date from which these rules apply for the tax or duty you are dealing with. See CH81011 for full details.

The following tables show the standard maximum and the minimum penalties for each type of inaccuracy dependent on the type of disclosure, unprompted or prompted. However, higher maximum and minimum penalties may apply where the inaccuracy involves an offshore matter and the tax at stake is income tax or capital gains tax, see CH82480+.

Unprompted disclosure

The following tables show the standard maximum and the minimum penalties for each type of inaccuracy dependent on the type of disclosure, unprompted or prompted. However, higher maximum and minimum penalties may apply where the inaccuracy involves an offshore matter and the tax at stake is income tax or capital gains tax, see CH82480+.

Unprompted disclosure {#IDALQXTF} | 0% | 20% | 30% | 30% |

It is possible to reduce the penalty to nil for an unprompted disclosure of a careless inaccuracy.

Prompted disclosure

For a prompted disclosure each penalty can be reduced by up to half of the maximum penalty.

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For a deliberate but not concealed inaccuracy of which there is an unprompted disclosure, the maximum penalty is 70% and the minimum penalty is 20%. The extent of the quality of disclosure reduction, CH82430, gives the point between the maximum 70% and the minimum 20% at which the penalty lies.

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