HMRC - CH82511 - Unprompted Disclosure Calculation Example

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.

Jasbinder has made an unprompted disclosure of a deliberate inaccuracy without concealment. The PLR is £145,000.

Step 1

The percentage for the quality of the disclosure (a) has been calculated as 65%.

Step 2

The maximum penalty (b) is 70% and the minimum penalty (c) is 20%.

So the maximum disclosure reduction (d) is 70 – 20 = 50

Step 3

The actual reduction percentage for disclosure (e) is 50 x 65% = 32.5%

Step 4

Penalty percentage to be charged (f) is 70% – 32.5% = 37.5%

Step 5

The penalty to be charged (g) is £145,000 x 37.5% = £54,375

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