HMRC - CTM94050 - CTSA: Higher Rate Penalties

FA98/SCH18/PARA17 (3) (TMA70/S94 (5))

If the company:

is within the charge to CT for three consecutive accounting periods for which returns have been required,

and

is liable to a flat-rate penalty for each of the first two of those periods,

and

fails to make a proper delivery of the return for the third of those periods,

the amount of the penalty for the third period increases to:

£500 if the company delivers the return within three months after the filing date,

or

£1,000 if the company delivers the return more than three months after the filing date.

Note: When applying this rule, you include accounting periods that ended before theCTSA appointed day (1 July 1999).

These higher amounts are applicable to failures occurring in all successive accounting periods until the company delivers its return for an accounting period by the filing date. If the company then fails to deliver its return on time for the next accounting period the lower rates apply.

Example

A Ltd delivers returns for its accounting periods as follows:

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is within the charge to CT for three consecutive accounting periods for which returns have been required,

and

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Example

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