HMRC - CTM94200 - CTSA: Determination: Procedure

TMA70/S100

You charge penalties incurred under FA98/SCH18/PARA17 & 18 (formerly TMA70/S94) by formal determination. The notice of determination served on the company must state:

the date of issue,

and

the time within which the company may appeal.

COTAX deals with these determinations. (See On-line Company Tax Manual (COM) in the Penalties’ business area.)

Penalties under Paragraphs 17 & 18 are charged for each failure to deliver a return by the filing date. A notice to deliver can require the delivery of a return for more than one return period so more than one penalty can be due in respect of a single notice.

Examples 1 and 2 below contain examples of this. In both examples the company incurs the penalties in respect of the same Paragraph 3 notice and they are normally charged in the same determination.

Example 1

In this example the company incurs the penalties in respect of the same Paragraph 3 notice and they are normally charged in the same determination.

Company A makes up accounts for the year to 31 December 1999.

It ceases trading on 30 September 1999 but continues to receive investment income after that date.

Accounting periods end on 30 September 1999 and 31 December 1999.

A Paragraph 3 notice specifying the period 1 January 1999 to 31 December 1999 is served on 1 April 2000.

The company must file a return for both the accounting periods ended 30 September 1999 and 31 December 1999.

It fails to deliver both returns until 1 February 2001.

The company is liable to a flat-rate penalty of:

£100 for failing to deliver its return for the accounting period to 30 September 1999 by the filing date, 31 December 2000,

£100 for failing to deliver its return for the accounting period to 31 December 1999 by the same filing date.

Example 2

In this example the company incurs the penalties in respect of the same Paragraph 3 notice and they are normally charged in the same determination.

Company B makes up its accounts for the 12 months to 31 December 1999 and 3 months to 31 March 2000, both of which are accounting periods.

A notice to deliver is served on 1 July 2000, specifying the period 1 April 1999 to 31 March 2000.

The company must file a return for both the accounting periods ended 31 December 1999 and 31 March 2000.

The company delivers both returns on 1 May 2001.

The company is liable to a flat-rate penalty of:

£200 for failing to deliver the return for the year to 31 December 1999 within three months of the filing date (31 December 2000),

£100 for failing to deliver its return for the period to 31 March 2000 by the filing date (31 March 2001).

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