HMRC - CTM94250 - CTSA: Time Limits

TMA70/S103

You can determine a flat-rate penalty at any time within six years after the date the penalty was incurred or began to be incurred.

You can determine a tax-related penalty at any time within the later of:

six years after the date the penalty was incurred - example 1,

three years after the final determination of the tax on which the penalty is calculated – example 2.

Example 1

Company A is required to deliver a return for the accounting period ended 31 December 1999 by the filing date, 31 December 2000.

It fails to deliver its return until 1 February 2001.

It incurs a flat-rate penalty on 1 January 2001.

You can determine it at any time up and including 1 January 2007.

Example 2

Company B is required to deliver a return for the accounting period ended 31 December 1999 by the filing date, 31 December 2000.

It fails to deliver its return until 1 August 2001 and makes no payment before that date.

The SA for the accounting period ended 31 December 1999 is finally determined on 1 January 2005 at £10,000.

You can determine a tax-related penalty at any time up to 1 January 2008, three years after the relevant amount of tax is finally determined. This is later than 1 July 2007, six years after the date when the company incurred the penalty.

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