HMRC - MLR1PP11200 - What To Include In A Penalty Notice

A standard penalty notice letter must always be issued if a penalty is due.

All penalty notices issued by Officers must be accompanied by a table of failures and a penalty calculation statement. See MLR1PP11050

The penalty calculation statement should have been modified to reflect any changes that have been made to the penalty as a result of comments or representations received in the 30 day pre-penalty period.

All penalty letters should include the same information as the pre-penalty letter.

If exceptionally a pre-penalty letter was not issued, the penalty notice and attachments must as an absolute minimum explain:

the Regulations that have been breached

how we came to this conclusion.

how we calculated the final penalty

the penalty administration charge

what reductions we have allowed

what the business needs to do to correct the breaches

Penalty notices issued by the Registration Team must include details of the specific Regulation that has been breached, how we arrived at this conclusion and how the penalty has been calculated. All of these can normally be included in the text of the penalty notice.

If we can accept any reasons why the penalty we proposed in any pre-penalty letter was incorrect, the statement (when applicable) and the explanatory text in the letter should be changed to reflect what has been agreed and changed.

Details of any comments made by a business, which cannot be agreed, must also be included in the penalty notice, together with the reasons why we disagree.

In addition all penalty notices must explain:

the fact that the penalty has been issued under Regulation 76 of MLR 2017, or Para 25 of Schedule 7 of the Counter Terrorism Act 2008

the amount of the final penalty which is now payable.

the right to request a Review, or appeal directly to an independent tribunal

how to make the penalty payment.

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