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## SCHEDULES

### SCHEDULE 24

#### PENALTIES FOR ERRORS

##### Modifications etc. (not altering text)

- C1 Sch. 24 applied (N.I.) (1.4.2008) by [The Education \(Student Loans\) \(Repayment\) Regulations \(Northern Ireland\) 2000 \(S.R. 2000/121\)](#), **regs. 7(2A)(b)**, 26(4) (as amended by S.R. 2008/129, **regs. 1**, 3(a), 4)
- C1 Sch. 24 applied (N.I.) (6.4.2009) by [The Education \(Student Loans\) \(Repayment\) Regulations \(Northern Ireland\) 2009 \(S.R. 2009/128\)](#), **regs. 1(1)**, 9(3)(b), 35(4), 54(8)(b)
- C1 Sch. 24 applied (E.W.) (6.4.2009) by [The Education \(Student Loans\) \(Repayment\) Regulations 2009 \(S.I. 2009/470\)](#), **regs. 1(1)**, 13(3)(b), 40(4), 59(8)(b) (with **reg. 1(4)(6)**)
- C1 Sch. 24 modified (8.4.2010) by [Finance Act 2010 \(c. 13\)](#), **Sch. 1 para. 37**
- C1 Sch. 24 applied (6.4.2008) by [The Social Security \(Contributions\) Regulations 2001 \(S.I. 2001/1004\)](#), **reg. 81(1)(1A)**, **Sch. 4 paras. 21A(8)**, 21D(9), 21F(12), 22(7), **31(8)** (as amended by S.I. 2008/636, **reg. 7**; S.I. 2010/721, **reg. 4**; S.I. 2012/821, **reg. 11**)
- C1 Sch. 24 applied (with modifications) (19.4.2013) by [The Small Charitable Donations Regulations 2013 \(S.I. 2013/938\)](#), **regs. 1**, **15**
- C1 Sch. 24 excluded (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 35 para. 13(a)**
- C1 Sch. 24 applied by 1993 c. 34, Sch. 20A para. 9A(6) (as inserted (19.12.2014) by [The Lloyd's Underwriters \(Conversion of Partnerships to Underwriting through Successor Companies\) \(Tax\) Regulations 2014 \(S.I. 2014/3133\)](#), **regs. 1**, **5(4)**)
- C1 Sch. 24 applied (with modifications) by 1992 c. 4, s. 11A(1)(3) (as inserted (with effect in accordance with Sch. 1 para. 35 of the amending Act) by [National Insurance Contributions Act 2015 \(c. 5\)](#), **Sch. 1 para. 3**)
- C1 Sch. 24 applied (with modifications) by 1992 c.7 (N.I.) s. 11A(1)(3) (as inserted (with effect in accordance with Sch. 1 para. 35 of the amending Act) by [National Insurance Contributions Act 2015 \(c. 5\)](#), **Sch. 1 para. 12**)

#### PART 2

##### AMOUNT OF PENALTY

###### *Standard amount*

- [<sup>F14</sup> (1) This paragraph sets out the penalty payable under paragraph 1.
- (2) If the inaccuracy is in category 1, the penalty is—
- (a) for careless action, 30% of the potential lost revenue,
  - (b) for deliberate but not concealed action, 70% of the potential lost revenue, and
  - (c) for deliberate and concealed action, 100% of the potential lost revenue.
- (3) If the inaccuracy is in category 2, the penalty is—
- (a) for careless action, 45% of the potential lost revenue,

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- (b) for deliberate but not concealed action, 105% of the potential lost revenue, and
  - (c) for deliberate and concealed action, 150% of the potential lost revenue.
- (4) If the inaccuracy is in category 3, the penalty is—
- (a) for careless action, 60% of the potential lost revenue,
  - (b) for deliberate but not concealed action, 140% of the potential lost revenue, and
  - (c) for deliberate and concealed action, 200% of the potential lost revenue.
- (5) Paragraph 4A explains the 3 categories of inaccuracy.

#### Textual Amendments

**F1** Sch. 24 paras. 4-4D substituted for Sch. 24 para. 4 (6.4.2011) by [Finance Act 2010 \(c. 13\), s. 35\(2\), Sch. 10 para. 2; S.I. 2011/975, art. 2\(1\)](#) (with [art. 3](#))

- 4A (1) An inaccuracy is in category 1 if—
- (a) it involves a domestic matter, or
  - (b) it involves an offshore matter and—
    - (i) the territory in question is a category 1 territory, or
    - (ii) the tax at stake is a tax other than income tax or capital gains tax.
- (2) An inaccuracy is in category 2 if—
- (a) it involves an offshore matter,
  - (b) the territory in question is a category 2 territory, and
  - (c) the tax at stake is income tax or capital gains tax.
- (3) An inaccuracy is in category 3 if—
- (a) it involves an offshore matter,
  - (b) the territory in question is a category 3 territory, and
  - (c) the tax at stake is income tax or capital gains tax.
- (4) An inaccuracy “involves an offshore matter” if it results in a potential loss of revenue that is charged on or by reference to—
- (a) income arising from a source in a territory outside the UK,
  - (b) assets situated or held in a territory outside the UK,
  - (c) activities carried on wholly or mainly in a territory outside the UK, or
  - (d) anything having effect as if it were income, assets or activities of a kind described above.
- (5) An inaccuracy “involves a domestic matter” if it results in a potential loss of revenue that is charged on or by reference to anything not mentioned in sub-paragraph (4) (a) to (d).
- (6) If a single inaccuracy is in more than one category (each referred to as a “relevant category”)—
- (a) it is to be treated for the purposes of this Schedule as if it were separate inaccuracies, one in each relevant category according to the matters that it involves, and

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- (b) the potential lost revenue is to be calculated separately in respect of each separate inaccuracy.
- (7) “Category 1 territory”, “category 2 territory” and “category 3 territory” are defined in paragraph 21A.
- (8) “Assets” has the meaning given in section 21(1) of TCGA 1992, but also includes sterling.

**Textual Amendments**

**F1** Sch. 24 paras. 4-4D substituted for Sch. 24 para. 4 (6.4.2011) by [Finance Act 2010 \(c. 13\)](#), s. 35(2), [Sch. 10 para. 2](#); [S.I. 2011/975](#), art. 2(1) (with art. 3)

4B The penalty payable under paragraph 1A is 100% of the potential lost revenue.

**Textual Amendments**

**F1** Sch. 24 paras. 4-4D substituted for Sch. 24 para. 4 (6.4.2011) by [Finance Act 2010 \(c. 13\)](#), s. 35(2), [Sch. 10 para. 2](#); [S.I. 2011/975](#), art. 2(1) (with art. 3)

4C The penalty payable under paragraph 2 is 30% of the potential lost revenue.

**Textual Amendments**

**F1** Sch. 24 paras. 4-4D substituted for Sch. 24 para. 4 (6.4.2011) by [Finance Act 2010 \(c. 13\)](#), s. 35(2), [Sch. 10 para. 2](#); [S.I. 2011/975](#), art. 2(1) (with art. 3)

4D Paragraphs 5 to 8 define “potential lost revenue”.]

**Textual Amendments**

**F1** Sch. 24 paras. 4-4D substituted for Sch. 24 para. 4 (6.4.2011) by [Finance Act 2010 \(c. 13\)](#), s. 35(2), [Sch. 10 para. 2](#); [S.I. 2011/975](#), art. 2(1) (with art. 3)

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