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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Assessment of penalty, etc. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 8

#### DIGITAL SERVICES TAX: RETURNS, ENQUIRIES, ASSESSMENTS AND APPEALS

#### PART 9

#### PENALTIES

##### *Assessment of penalty, etc*

- 56 (1) If a person is liable to a penalty under this Part of this Schedule, HMRC must—
- (a) assess the penalty, and
  - (b) notify the person.
- (2) The assessment of a penalty—
- (a) is to be treated for procedural purposes in the same way as an assessment to tax (except in respect of a matter expressly provided for by this Schedule),
  - (b) may be enforced as if it were an assessment to tax, and
  - (c) may be combined with an assessment to tax.
- (3) A supplementary assessment may be made in respect of a penalty if an earlier assessment is based on an amount of tax due and payable that is found by HMRC to be an underestimate or insufficient.
- (4) Sub-paragraph (5) applies if—
- (a) an assessment in respect of a penalty is based on a liability to tax that would have been shown in a return, and
  - (b) that liability is found by HMRC to be excessive.
- (5) HMRC may by notice amend the assessment so it is based on the correct amount.
- (6) An amendment under sub-paragraph (5)—
- (a) does not affect when the penalty must be paid;
  - (b) may be made after the last day on which the assessment in question could have been made (under sub-paragraph (7)).
- (7) An assessment of a penalty must be made before the end of the period of 12 months beginning with—
- (a) the end of the appeal period for the assessment of the liability to tax which would have been shown in the return, or
  - (b) if there is no such assessment, the date on which that liability is ascertained or it is ascertained that the liability is nil.
- (8) In sub-paragraph (7) “appeal period” means the period during which—
- (a) an appeal could be brought, or

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- (b) an appeal that has been brought has not been determined or withdrawn.
- (9) A penalty must be paid before the end of the period of 30 days beginning with the day on which notification of the penalty is issued.

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Assessment of penalty, etc.