

## SCHEDULES

### SCHEDULE 24

#### PENALTIES FOR ERRORS

#### PART 2

#### AMOUNT OF PENALTY

*Potential lost revenue: normal rule*

- 5 (1) “The potential lost revenue” in respect of an inaccuracy in a document or a failure to notify an under-assessment is the additional amount due or payable in respect of tax as a result of correcting the inaccuracy or assessment.
- (2) The reference in sub-paragraph (1) to the additional amount due or payable includes a reference to—
- (a) an amount payable to HMRC having been erroneously paid by way of repayment of tax, and
  - (b) an amount which would have been repayable by HMRC had the inaccuracy or assessment not been corrected.
- (3) In sub-paragraph (1) “tax” includes national insurance contributions.
- (4) The following shall be ignored in calculating potential lost revenue under this paragraph—
- (a) group relief, and
  - (b) section 419(4) of ICTA (close company: relief for loans);
- (but this sub-paragraph does not prevent a penalty being charged in respect of an inaccurate claim for relief).