

Status: Point in time view as at 17/07/2013.

Changes to legislation: Finance Act 2008, Cross Heading: Reductions for disclosure is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 41

PENALTIES: FAILURE TO NOTIFY AND CERTAIN VAT AND EXCISE WRONGDOING

Reductions for disclosure

- 12 (1) Paragraph 13 provides for reductions in penalties under paragraphs 1 to 4 where P discloses a relevant act or failure
- (2) P discloses a relevant act or failure by—
- (a) telling HMRC about it,
 - (b) giving HMRC reasonable help in quantifying the tax unpaid by reason of it, and
 - (c) allowing HMRC access to records for the purpose of checking how much tax is so unpaid.
- (3) Disclosure of a relevant act or failure—
- (a) is “unprompted” if made at a time when the person making it has no reason to believe that HMRC have discovered or are about to discover the relevant act or failure, and
 - (b) otherwise, is “prompted”.
- (4) In relation to disclosure “quality” includes timing, nature and extent.

Commencement Information

II [Sch. 41 para. 12](#) in force at 1.4.2010 with effect in accordance with art. 3 by [S.I. 2009/511](#), [art. 2](#)

- [^{F1}13 (1) If a person who would otherwise be liable to a penalty of a percentage shown in column 1 of the Table (a “standard percentage”) has made a disclosure, HMRC must reduce the standard percentage to one that reflects the quality of the disclosure.
- (2) But the standard percentage may not be reduced to a percentage that is below the minimum shown for it—
- (a) for a prompted disclosure, in column 2 of the Table, and
 - (b) for an unprompted disclosure, in column 3 of the Table.
- (3) Where the Table shows a different minimum for case A and case B—
- (a) the case A minimum applies if—
 - (i) the penalty is one under paragraph 1, and
 - (ii) HMRC become aware of the failure less than 12 months after the time when the tax first becomes unpaid by reason of the failure, and
 - (b) otherwise, the case B minimum applies.

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Standard %	Minimum % for prompted disclosure	Minimum % for unprompted disclosure
30%	case A: 10% case B: 20%	case A: 0% case B: 10%
45%	case A: 15% case B: 30%	case A: 0% case B: 15%
60%	case A: 20% case B: 40%	case A: 0% case B: 20%
70%	35%	20%
105%	52.5%	30%
140%	70%	40%
100%	50%	30%
150%	75%	45%
200%	100%	60%]

Textual Amendments

F1 Sch. 41 para. 13 substituted (6.4.2011) by [Finance Act 2010 \(c. 13\)](#), s. 35(2), **Sch. 10 para. 9**; [S.I. 2011/975](#), art. 2(1) (with art. 4)

Commencement Information

I2 [Sch. 41 para. 13](#) in force at 1.4.2010 with effect in accordance with art. 3 by [S.I. 2009/511](#), **art. 2**

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