
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2021, Paragraph 6. (See end of Document for details)

SCHEDULES

SCHEDULE 24

PENALTIES FOR FAILURE TO MAKE RETURNS ETC

PART 2

LIABILITY TO A PENALTY

Award of penalty points

- 6 (1) Where a person is liable to a penalty point for a group of returns, HMRC may award the person a penalty point for that group.
- (2) Where HMRC award a penalty point they must notify the person, and state in the notice—
- (a) the failure (or failures) in respect of which the penalty point is awarded, and
 - (b) the group of returns for which the penalty point is awarded.
- (3) HMRC may not award a penalty point after—
- (a) the later of date A and (where it applies) date B, or
 - (b) where the penalty point is to be awarded in respect of a failure (or failures) to make, on or before the due date, a return in digital reporting sub-group (3) or (4) of group 1B or 2B or digital reporting sub-group (2) of group 3B, the later of date A and (where it applies) date C.
- (4) Date A is the end of the period of x weeks beginning with—
- (a) if the penalty point is to be awarded in respect of a single failure, the day on which the failure occurred;
 - (b) if the penalty point is to be awarded in respect of more than one failure in the same month or, as the case may be, the same calendar quarter (see paragraph 5(7)), the day on which the latest of those failures occurred.
- (5) In sub-paragraph (4) “x weeks” means—
- (a) if the group of returns is in Column A of the Table, 48 weeks,
 - (b) if the group of returns is in Column B of the Table, 11 weeks, and
 - (c) if the group of returns is in Column C of the Table, 2 weeks.
- (6) Date B is the last day 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 relevant 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.
- (7) In sub-paragraph (6)(a)—
- “appeal period” means the period during which—

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- (a) an appeal could be brought (ignoring any possibility of an appeal out of time), or
 - (b) an appeal that has been brought has not been determined or withdrawn;
- “relevant return” means—
- (a) if the penalty point is to be awarded in respect of a single failure to make a return on or before the due date, that return;
 - (b) if the penalty point is to be awarded in respect of more than one failure to make a return, on or before the due date, in the same month or, as the case may be, the same calendar quarter (see paragraph 5(7)), the return for which there was the latest due date in the period in question.
- (8) If more than one return is the relevant return by virtue of paragraph (b) of the definition of “relevant return” in sub-paragraph (7) and the same day is not date B in relation to all of those returns, treat date B as being the latest of those days.
- (9) Date C—
- (a) applies where, on date A, it was not reasonable to expect HMRC to be aware that the person was required to make the return (or the returns), and
 - (b) is the last day of the period of 12 months beginning with the first day on which it was reasonable to expect HMRC to be aware that the person was required to make the return (or one of the returns).
- (10) For the purposes of this Schedule, a person “has” a penalty point if HMRC has awarded the person the penalty point, the penalty point or liability to it has not been cancelled and the penalty point has not expired.

Commencement Information

- I1** Sch. 24 para. 6 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(1)
- I2** Sch. 24 para. 6 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2(1)

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