

## SCHEDULES

### SCHEDULE 1

#### DISCLOSURE OF VALUE ADDED TAX AVOIDANCE SCHEMES

##### *Penalty assessments*

8 In paragraph 12 (penalty assessments) for sub-paragraph (3) substitute—

“(3) In a case where—

- (a) the penalty falls to be calculated by reference to the VAT saving as determined under paragraph 11(3), and
- (b) the notional tax cannot readily be attributed to any one or more prescribed accounting periods,

the notional tax shall be treated for the purposes of this Schedule as attributable to such period or periods as the Commissioners may determine to the best of their judgment and notify to the person liable for the penalty.

(3A) In sub-paragraph (3) “the notional tax” means—

- (a) the VAT that would, but for the scheme, have been shown in returns as payable by or to the taxable person, or
- (b) any amount that would, but for the scheme, have been the amount of the non-deductible tax of the taxable person.”