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**Changes to legislation:** Finance (No. 2) Act 2017, Cross Heading: Procedure for assessing penalty, etc is up to date with all changes known to be in force on or before 03 April 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) View outstanding changes

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## SCHEDULES

### SCHEDULE 18

#### REQUIREMENT TO CORRECT CERTAIN OFFSHORE TAX NON-COMPLIANCE

##### PART 2

##### AMOUNT OF PENALTY

###### *Procedure for assessing penalty, etc*

- 18 (1) Where a person is found liable for a penalty under paragraph 1 HMRC must—
- (a) assess the penalty,
  - (b) notify the person, and
  - (c) state in the notice—
    - (i) the uncorrected relevant offshore tax non-compliance to which the penalty relates, and
    - (ii) the tax period to which that offshore tax non-compliance relates.
- (2) 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.
- (3) An 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.
- (4) A supplementary assessment may be made in respect of a penalty if an earlier assessment operated by reference to an underestimate of the liability to tax that would have been shown in a return.
- (5) Sub-paragraph (6) applies if—
- (a) an assessment in respect of a penalty is based on a liability to offshore tax that would have been shown on a return, and
  - (b) that liability is found by HMRC to have been excessive.
- (6) HMRC may amend the assessment so that it is based upon the correct amount.
- (7) But an amendment under sub-paragraph (6)—
- (a) does not affect when the penalty must be paid, and
  - (b) may be made after the last day on which the assessment in question could have been made under paragraph 19.

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- 19 (1) An assessment of a penalty under paragraph 1 in respect of uncorrected relevant offshore tax non-compliance must be made before the end of the relevant period for that non-compliance.
- (2) If the non-compliance consists of a failure to notify chargeability, the relevant period is the period of 12 months beginning with—
- (a) the end of the appeal period for the assessment of tax unpaid by reason of the failure, or
  - (b) if there is no such assessment, the date on which the amount of tax unpaid by reason of the failure is ascertained.
- (3) If the non-compliance consists of a failure to submit a return or other document, the relevant period is 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.
- (4) If the non-compliance consists of making and delivering a tax document containing an inaccuracy, the relevant period is the period of 12 months beginning with—
- (a) the end of the appeal period for the decision correcting the inaccuracy, or
  - (b) if there is no assessment to the tax concerned within paragraph (a), the date on which the inaccuracy is corrected.
- (5) In this paragraph references to the appeal period are to the period during which—
- (a) an appeal could be brought, or
  - (b) an appeal that has been brought has not been finally determined or withdrawn.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. A1 para. 8(6)(b) omitted by [2022 c. 3 Sch. 1 para. 32\(b\)](#)
- Sch. A1 para. 8(2) substituted by [2022 c. 3 Sch. 1 para. 32\(a\)](#)