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## SCHEDULES

### SCHEDULE 55

#### PENALTY FOR FAILURE TO MAKE RETURNS ETC

##### Modifications etc. (not altering text)

- C1 Sch. 55 applied (with modifications) by S.I. 2001/1004, **Sch. 4 para. 21G** (as inserted (with effect in accordance with reg. 1(3) of the amending S.I.) by **The Social Security (Contributions) (Amendment No. 4) Regulations 2014** (S.I. 2014/2397), regs. 1(1), **3(5)**)
- C1 Sch. 55 modified (8.4.2010) by **Finance Act 2010** (c. 13), **Sch. 1 para. 38**
- C1 Sch. 55 applied (with modifications) by 1992 c.7 (N.I.), s. 11A(1)(3) (as inserted (with effect in accordance with Sch. 1 para. 35 of the amending Act) by **National Insurance Contributions Act 2015** (c. 5), **Sch. 1 para. 12**)
- C1 Sch. 55 applied (with modifications) (with application in accordance with reg. 1 of the amending S.I.) by **The Education (Postgraduate Masters Degree Loans) Regulations 2016** (S.I. 2016/606), regs. 1(1), **50(1)(2)**
- C1 Sch. 55 applied (with modifications) by 1992 c. 4, s. **11A(1)(3)** (as inserted (with effect in accordance with Sch. 1 para. 35 of the amending Act) by **National Insurance Contributions Act 2015** (c. 5), **Sch. 1 para. 3**)
- C1 Sch. 55 applied by S.I. 2009/470, **reg. 40(1)(2)** (as substituted (6.4.2011) by **The Education (Student Loans) (Repayment) (Amendment) Regulations 2011** (S.I. 2011/784), regs. 1(1), **9** (with reg. 12(2)))
- C1 Sch. 55 modified (temp.) (with effect in accordance with Sch. 10 para. 43 of the amending Act) by **Finance Act 2022** (c. 3), **Sch. 10 para. 26** (as amended (5.1.2023) by S.I. 2022/1321, regs. 1, **2(2)**)
- C1 Sch. 55 applied by S.R. 2009/128, **reg. 35** (as substituted (6.4.2011) by **The Education (Student Loans) (Repayment) (Amendment) Regulations (Northern Ireland) 2011** (S.R. 2011/137), regs. 1(1), **8(a)** (with reg. 12))
- C1 Sch. 55 applied (14.9.2023) by **The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No. 2) Regulations 2023** (S.I. 2023/912), regs. 1(2), **42(3)** (with reg. 1(3))

##### *Reductions for disclosure*

14<sup>[F1]</sup>(A1) In this paragraph, “relevant information” means information which has been withheld by a failure to make a return.]

(1) Paragraph 15 provides for reductions in the penalty under paragraph 6(3) or (4) [<sup>F2</sup>where P discloses relevant information that involves a domestic matter][<sup>F3</sup>or 11(3) or (4)][<sup>F3</sup>, 11(3) or (4), 13E(3) or (4) or 13J(3) or (4)] where P discloses [<sup>F4</sup>relevant information].

<sup>F5</sup>(1A) Paragraph 15A provides for reductions in the penalty under paragraph 6(3) or (4) where P discloses relevant information that involves an offshore matter or an offshore transfer.

(1B) Sub-paragraph (2) applies where—

- (a) P is liable to a penalty under paragraph 6(3) or (4) and P discloses relevant information that involves a domestic matter, or

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- (b) P is liable to a penalty under any of the other provisions mentioned in sub-paragraph (1) and P discloses relevant information.]
- (2) P discloses relevant information by—
- (a) telling HMRC about it,
  - (b) giving HMRC reasonable help in quantifying any tax unpaid by reason of its having been withheld, and
  - (c) allowing HMRC access to records for the purpose of checking how much tax is so unpaid.
- [<sup>F6</sup>(2A) Sub-paragraph (2B) applies where P is liable to a penalty under paragraph 6(3) or (4) and P discloses relevant information that involves an offshore matter or an offshore transfer.
- (2B) P discloses relevant information by—
- (a) telling HMRC about it,
  - (b) giving HMRC reasonable help in quantifying any tax unpaid by reason of its having been withheld,
  - (c) allowing HMRC access to records for the purpose of checking how much tax is so unpaid, and
  - (d) providing HMRC with additional information.
- (2C) The Treasury must make regulations setting out what is meant by “additional information” for the purposes of sub-paragraph (2B)(d).
- (2D) Regulations under sub-paragraph (2C) are to be made by statutory instrument.
- (2E) An instrument containing regulations under sub-paragraph (2C) is subject to annulment in pursuance of a resolution of the House of Commons.]
- (3) Disclosure of relevant information—
- (a) is “unprompted” if made at a time when P has no reason to believe that HMRC have discovered or are about to discover the relevant information, and
  - (b) otherwise, is “prompted”.
- (4) In relation to disclosure “quality” includes timing, nature and extent.
- [<sup>F7</sup>(5) Paragraph 6A(4) to (5) applies to determine whether relevant information involves an offshore matter, an offshore transfer or a domestic matter for the purposes of this paragraph.]

#### Textual Amendments

- F1** Sch. 55 para. 14(A1) inserted (with effect in accordance with reg. 2 of the commencing S.I.) by [Finance Act 2016 \(c. 24\), s. 163\(2\), Sch. 21 para. 10\(2\)](#); S.I. 2017/259, reg. 2
- F2** Words in Sch. 55 para. 14(1) inserted (with effect in accordance with reg. 2 of the commencing S.I.) by [Finance Act 2016 \(c. 24\), s. 163\(2\), Sch. 21 para. 10\(3\)\(a\)](#); S.I. 2017/259, reg. 2
- F3** Words in Sch. 55 para. 14(1) substituted (12.2.2019 for specified purposes) by [Finance \(No. 3\) Act 2010 \(c. 33\), s. 26\(2\), Sch. 10 para. 8](#); 2019 c. 1, s. 67(2)
- F4** Words in Sch. 55 para. 14(1) substituted (with effect in accordance with reg. 2 of the commencing S.I.) by [Finance Act 2016 \(c. 24\), s. 163\(2\), Sch. 21 para. 10\(3\)\(b\)](#); S.I. 2017/259, reg. 2
- F5** Sch. 55 para. 14(1A)(1B) inserted (with effect in accordance with reg. 2 of the commencing S.I.) by [Finance Act 2016 \(c. 24\), s. 163\(2\), Sch. 21 para. 10\(4\)](#); S.I. 2017/259, reg. 2

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- F6** Sch. 55 para. 14(2A)-(2E) inserted (in so far as not already in force and with effect in accordance with reg. 2 of the commencing S.I. of the commencing S.I.) by [Finance Act 2016 \(c. 24\)](#), s. 163(2), [Sch. 21 para. 10\(5\)](#); S.I. 2017/259, regs. 2, 3
- F7** Sch. 55 para. 14(5) inserted (with effect in accordance with reg. 2 of the commencing S.I.) by [Finance Act 2016 \(c. 24\)](#), s. 163(2), [Sch. 21 para. 10\(6\)](#); S.I. 2017/259, reg. 2

#### Commencement Information

- I1** Sch. 55 para. 14 in force at 1.4.2011 for specified purposes and 6.4.2011 for specified purposes by S.I. 2011/702, [art. 2](#) (with [art. 1\(2\)](#))
- I2** Sch. 55 para. 14 in force at 6.10.2011 for specified purposes by S.I. 2011/2391, [art. 2\(b\)](#) (with [art. 3\(1\)\(2\)](#))
- I3** Sch. 55 para. 14 in force at 6.4.2018 for specified purposes by S.I. 2018/468, [art. 2\(b\)](#)
- I4** Sch. 55 para. 14 in force at 12.2.2019 for specified purposes by 2019 c. 1, [Sch. 2 para. 29\(3\)](#)
- I5** [Sch. 55 para. 14](#) in force at 1.4.2022 for specified purposes by S.I. 2021/1409, [reg. 2\(b\)](#)

- 15 (1) <sup>F8</sup>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) <sup>F8</sup>But the standard percentage may not be reduced to a percentage that is below the minimum shown for it—
- (a) in the case of a prompted disclosure, in column 2 of the Table, and
- (b) in the case of an unprompted disclosure, in column 3 of the Table.]

<sup>F9</sup> Standard %	Minimum % for prompted disclosure	Minimum % for unprompted disclosure
70%	35%	20%
100%	50%	30%]

- (3) <sup>F10</sup>Where a person who would otherwise be liable to a 70% penalty has made an unprompted disclosure, HMRC must reduce the 70% to a percentage, not below 20%, which reflects the quality of the disclosure.]
- (4) <sup>F11</sup>Where a person who would otherwise be liable to a 70% penalty has made a prompted disclosure, HMRC must reduce the 70% to a percentage, not below 35%, which reflects the quality of the disclosure.]
- (5) But HMRC must not under this paragraph—
- (a) reduce a penalty under paragraph 6(3) or (4) below £300, or
- (b) reduce a penalty under <sup>F12</sup>paragraph 11(3) or (4)]<sup>F12</sup>sub-paragraph (3) or (4) of any of paragraphs 11, 13E and 13J] below the amount set by <sup>F13</sup>paragraph 11(3)(b) or (4)(b) (as the case may be)]<sup>F13</sup>paragraph (b) of that sub-paragraph].

#### Textual Amendments

- F8** Sch. 55 para. 15(1)(2) substituted (6.4.2011 for specified purposes) by [Finance Act 2010 \(c. 13\)](#), s. 35(2), Sch. 10 para. 13(2); S.I. 2011/975, art. 2(2) (with art. 5)
- F9** Sch. 55 para. 15(2) Table substituted (with effect in accordance with reg. 2 of the commencing S.I.) by [Finance Act 2016 \(c. 24\)](#), s. 163(2), [Sch. 21 para. 11](#); S.I. 2017/259, reg. 2

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- F10** Sch. 55 para. 15(3) omitted (6.4.2011 for specified purposes) by virtue of Finance Act 2010 (c. 13), s. 35(2), **Sch. 10 para. 13(3)**; S.I. 2011/975, art. 2(2) (with art. 5)
- F11** Sch. 55 para. 15(4) omitted (6.4.2011 for specified purposes) by virtue of Finance Act 2010 (c. 13), s. 35(2), **Sch. 10 para. 13(3)**; S.I. 2011/975, art. 2(2) (with art. 5)
- F12** Words in Sch. 55 para. 15(5) substituted (12.2.2019 for specified purposes) by Finance (No. 3) Act 2010 (c. 33), s. 26(2), **Sch. 10 para. 9(a)**; 2019 c. 1, s. 67(2)
- F13** Words in Sch. 55 para. 15(5) substituted (12.2.2019 for specified purposes) by Finance (No. 3) Act 2010 (c. 33), s. 26(2), **Sch. 10 para. 9(b)**; 2019 c. 1, s. 67(2)

#### Commencement Information

- I6** Sch. 55 para. 15 in force at 1.4.2011 for specified purposes and 6.4.2011 for specified purposes by S.I. 2011/702, **art. 2** (with art. 1(2))
- I7** Sch. 55 para. 15 in force at 6.10.2011 for specified purposes by S.I. 2011/2391, **art. 2(b)** (with art. 3(1)(2))
- I8** Sch. 55 para. 15 in force at 6.4.2018 for specified purposes by S.I. 2018/468, **art. 2(b)**
- I9** Sch. 55 para. 15 in force at 12.2.2019 for specified purposes by 2019 c. 1, **Sch. 2 para. 29(3)**
- I10** Sch. 55 para. 15 in force at 1.4.2022 for specified purposes by S.I. 2021/1409, **reg. 2(b)**

[<sup>F14</sup>15A(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) in the case of a prompted disclosure, in column 2 of the Table, and
- (b) in the case of an unprompted disclosure, in column 3 of the Table.

<i>Standard %</i>	<i>Minimum % for prompted disclosure</i>	<i>Minimum % for unprompted disclosure</i>
70%	45%	30%
87.5%	53.75%	35%
100%	60%	40%
105%	62.5%	40%
125%	72.5%	50%
140%	80%	50%
150%	85%	55%
200%	110%	70%

- (3) But HMRC must not under this paragraph reduce a penalty below £300.]

#### Textual Amendments

- F14** Sch. 55 para. 15A inserted (with effect in accordance with reg. 2 of the commencing S.I.) by Finance Act 2016 (c. 24), s. 163(2), **Sch. 21 para. 12**; S.I. 2017/259, reg. 2

#### Commencement Information

- I11** Sch. 55 para. 15A in force at 6.4.2018 for specified purposes by S.I. 2018/468, **art. 2(b)**
- I12** Sch. 55 para. 15A in force at 12.2.2019 for specified purposes by 2019 c. 1, **Sch. 2 para. 29(3)**
- I13** Sch. 55 para. 15A in force at 1.4.2022 for specified purposes by S.I. 2021/1409, **reg. 2(b)**

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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):

- s. 102(4)(za) inserted by [2010 c. 33 Sch. 9 para. 3\(3\)](#)
- Sch. 53 para. 2A-2D and cross-heading inserted by [2010 c. 33 Sch. 9 para. 7](#)
- Sch. 53 para. 6A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 8](#)
- Sch. 53 para. 11A11B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 17](#)
- Sch. 53 para. 14A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 18](#)
- Sch. 54 para. 9B9C and cross-heading inserted by [2010 c. 33 Sch. 9 para. 11](#) (Sch. 54 para. 9B is amended before it comes into force by [2016 c. 24, Sch. 1 para. 66\(5\)](#))
- Sch. 54 para. 12A12B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 19](#)
- Sch. 54 Pt. A1 inserted by [2010 c. 33 Sch. 9 para. 10](#) (Sch. 9 para. 10 is amended before it comes into force by [2017 c. 32, Sch. 4 para. 182](#))
- Sch. 55 para. 6(3A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(2\)\(a\)](#)
- Sch. 55 para. 6(4A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(3\)\(a\)](#)
- Sch. 55 para. 17(4)(ba) inserted by [2015 c. 11 Sch. 20 para. 19](#)
- Sch. 56 para. 3(1)(d) omitted by [2021 c. 26 Sch. 27 para. 40\(4\)\(c\)](#)