

---

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2021, Cross Heading: Liability to penalty points. (See end of Document for details)

---

## SCHEDULES

### SCHEDULE 24

#### PENALTIES FOR FAILURE TO MAKE RETURNS ETC

##### PART 2

###### LIABILITY TO A PENALTY

###### *Liability to penalty points*

- 5 (1) If a person fails to make a return on or before the due date, the person is liable to one penalty point for the group of returns to which the return belongs (but see sub-paragraphs (2) to (8)).
- (2) A person is not liable to more than one penalty point per month for each of the following groups of returns, even if in that month there is more than one failure to make a return in that group on or before the due date—
- (a) group 1A, 2A or 3A;
  - (b) group 4A, 4B or 4C.
- (3) A person is not liable to more than one penalty point per month in respect of a failure to make a return in a digital reporting sub-group of returns, even if in that month there is more than one failure to make a return in that digital reporting sub-group on or before the due date.
- (4) For the purposes of sub-paragraph (3), digital reporting sub-groups (1) and (2) of group 1B or 2B are to be treated as a single digital reporting sub-group.
- (5) If—
- (a) a person carries on more than one business and in relation to two or more of those businesses is required to make returns belonging to digital reporting sub-group (4) of group 1B or 2B or digital reporting sub-group (2) of group 3B, and
  - (b) the due dates for the returns belonging to the digital reporting sub-group in question do not all fall within the same month of a calendar quarter,
- sub-paragraph (3) is to be read in relation to that digital reporting sub-group as if references to a month were references to a calendar quarter.
- (6) “Calendar quarter” means a period of 3 months beginning with 1 January, 1 April, 1 July or 1 October.
- (7) If there is more than one failure in a month or calendar quarter (as the case may be) to make a return in a group of returns, or in a digital reporting sub-group of returns, on or before the due date (see sub-paragraphs (2), (3) and (5)), the one penalty point for the month or calendar quarter to which the person is liable by virtue of this paragraph is for all of those failures.

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2021, Cross Heading: Liability to penalty points. (See end of Document for details)*

---

- (8) A person is not liable to a penalty point for a group of returns if the person already has the maximum number of penalty points for that group of returns.
- (9) The maximum number of penalty points for a group of returns is—
- (a) if the group is in Column A of the Table, 2 points,
  - (b) if the group is in Column B of the Table, 4 points, and
  - (c) if the group is in Column C of the Table, 5 points.
- (10) See paragraphs 19 to 21 for further rules about liability to a penalty point.

**Commencement Information**

- I1** Sch. 24 para. 5 in force at 1.1.2023 for specified purposes by S.I. 2022/1278, reg. 2(1)
- I2** Sch. 24 para. 5 in force at 6.4.2024 for specified purposes by S.I. 2024/440, reg. 2(1)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2021, Cross Heading:  
Liability to penalty points.