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## SCHEDULES

### SCHEDULE 24

#### PENALTIES FOR ERRORS

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

- C1 Sch. 24 applied (N.I.) (1.4.2008) by [The Education \(Student Loans\) \(Repayment\) Regulations \(Northern Ireland\) 2000](#) (S.R. 2000/121), **regs. 7(2A)(b)**, 26(4) (as amended by S.R. 2008/129, **regs. 1**, 3(a), 4)
- C1 Sch. 24 applied (N.I.) (6.4.2009) by [The Education \(Student Loans\) \(Repayment\) Regulations \(Northern Ireland\) 2009](#) (S.R. 2009/128), **regs. 1(1)**, 9(3)(b), 35(4), 54(8)(b)
- C1 Sch. 24 applied (E.W.) (6.4.2009) by [The Education \(Student Loans\) \(Repayment\) Regulations 2009](#) (S.I. 2009/470), **regs. 1(1)**, 13(3)(b), 40(4), 59(8)(b) (with **reg. 1(4)(6)**)
- C1 Sch. 24 modified (8.4.2010) by [Finance Act 2010](#) (c. 13), **Sch. 1 para. 37**
- C1 Sch. 24 applied (6.4.2008) by [The Social Security \(Contributions\) Regulations 2001](#) (S.I. 2001/1004), **reg. 81(1)(1A)**, **Sch. 4 paras. 21A(8)**, 21D(9), 21F(12), 22(7), **31(8)** (as amended by S.I. 2008/636, **reg. 7**; S.I. 2010/721, **reg. 4**; S.I. 2012/821, **reg. 11**)
- C1 Sch. 24 applied (with modifications) (19.4.2013) by [The Small Charitable Donations Regulations 2013](#) (S.I. 2013/938), **regs. 1**, **15**
- C1 Sch. 24 excluded (17.7.2014) by [Finance Act 2014](#) (c. 26), **Sch. 35 para. 13(a)**
- C1 Sch. 24 applied by 1993 c. 34, Sch. 20A para. 9A(6) (as inserted (19.12.2014) by [The Lloyd's Underwriters \(Conversion of Partnerships to Underwriting through Successor Companies\) \(Tax\) Regulations 2014](#) (S.I. 2014/3133), **regs. 1**, **5(4)**)
- C1 Sch. 24 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. 24 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. 24 applied (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)**, **24(3)**
- C1 Sch. 24 applied (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(3)**
- C1 Sch. 24 applied (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)**, **85(4)**
- C1 Sch. 24 applied (with modifications) (1.5.2023) by [The Value Added Tax \(Margin Schemes and Removal or Export of Goods: VAT-related Payments\) Order 2023](#) (S.I. 2023/68), **arts. 1(1)**, **14** (with **art. 1(2)**)
- C1 Sch. 24 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)**, **40(2)** (with **reg. 1(3)**)

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### PART 3

#### PROCEDURE

##### *Assessment*

- 13 (1) [<sup>F1</sup>Where a person] becomes liable for a penalty under paragraph 1 [<sup>F2</sup>, 1A] or 2 HMRC shall—
- (a) assess the penalty,
  - (b) [<sup>F3</sup>notify the person], and
  - (c) state in the notice a tax period in respect of which the penalty is assessed [<sup>F4</sup>(subject to sub-paragraph (1ZB))].

[<sup>F5</sup>(1ZA) Sub-paragraph (1ZB) applies where—

- (a) a person is at any time liable for two or more penalties relating to PAYE returns, or for two or more penalties relating to CIS returns, [<sup>F6</sup> or for two or more penalties relating to apprenticeship levy returns, ] and
- (b) the penalties (“the relevant penalties”) are assessed in respect of more than one tax period (“the relevant tax periods”).

(1ZB) A notice under sub-paragraph (1) in respect of any of the relevant penalties may, instead of stating the tax period in respect of which the penalty is assessed, state the tax year or the part of a tax year to which the penalty relates.

(1ZC) For that purpose, a relevant penalty relates to the tax year or the part of a tax year in which the relevant tax periods fall.

(1ZD) For the purposes of sub-paragraph (1ZA)—

“a PAYE return” means a return for the purposes of PAYE regulations;

“a CIS return” means a return for the purposes of regulations under section 70(1)(a) of FA 2004 in connection with deductions on account of tax under the Construction Industry Scheme.]

[<sup>F7</sup>“an apprenticeship levy return” means a return under regulations under section 105 of FA 2016;]

[<sup>F8</sup>(1A) A penalty under paragraph 1, 1A or 2 must be paid before the end of the period of 30 days beginning with the day on which notification of the penalty is issued.]

(2) An assessment—

- (a) shall 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 Act),
- (b) may be enforced as if it were an assessment to tax, and
- (c) may be combined with an assessment to tax.

(3) An assessment of a penalty under paragraph 1 [<sup>F9</sup> or 1A] must be made [<sup>F10</sup>before the end of 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 [<sup>F11</sup>to the tax concerned] within paragraph (a), the date on which the inaccuracy is corrected.

(4) An assessment of a penalty under paragraph 2 must be made [<sup>F12</sup>before the end of the period of 12 months beginning with—

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- (a) the end of the appeal period for the assessment of tax which corrected the understatement, or
  - (b) if there is no assessment within paragraph (a), the date on which the understatement is corrected.]
- (5) For the purpose of sub-paragraphs (3) and (4) a reference to an appeal period is a reference to the period during which—
- (a) an appeal could be brought, or
  - (b) an appeal that has been brought has not been determined or withdrawn.
- (6) Subject to sub-paragraphs (3) and (4), a supplementary assessment may be made in respect of a penalty if an earlier assessment operated by reference to an underestimate of potential lost revenue.
- [<sup>F13</sup>(7) In this Part of this Schedule references to an assessment to tax, in relation to inheritance tax and stamp duty reserve tax, are to a determination.]

#### Textual Amendments

- F1** Words in Sch. 24 para. 13(1) substituted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 12(2)(a)**; S.I. 2009/571, art. 2
- F2** Word in Sch. 24 para. 13(1) inserted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 12(2)(b)**; S.I. 2009/571, art. 2
- F3** Words in Sch. 24 para. 13(1) substituted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 12(2)(c)**; S.I. 2009/571, art. 2
- F4** Words in Sch. 24 para. 13(1)(c) inserted (with effect in accordance with Sch. 50 para. 16(1) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 50 para. 1(2)**
- F5** Sch. 24 para. 13(1ZA)-(1ZD) inserted (with effect in accordance with Sch. 50 para. 16(1) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 50 para. 1(3)**
- F6** Words in Sch. 24 para. 13(1ZA) inserted (6.4.2017) by [Finance Act 2016 \(c. 24\)](#), s. 113(3)(a)(16) (with s. 117); S.I. 2017/355, reg. 2
- F7** Words in Sch. 24 para. 13(1ZD) inserted (6.4.2017) by [Finance Act 2016 \(c. 24\)](#), s. 113(3)(b)(16) (with s. 117); S.I. 2017/355, reg. 2
- F8** Sch. 24 para. 13(1A) inserted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 12(3)**; S.I. 2009/571, art. 2
- F9** Words in Sch. 24 para. 13(3) inserted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 12(4)(a)**; S.I. 2009/571, art. 2
- F10** Words in Sch. 24 para. 13(3) substituted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 12(4)(b)**; S.I. 2009/571, art. 2
- F11** Words in Sch. 24 para. 13(3) inserted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 12(4)(c)**; S.I. 2009/571, art. 2
- F12** Words in Sch. 24 para. 13(4) substituted (1.4.2009) by [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 12(5)**; S.I. 2009/571, art. 2
- F13** Sch. 24 para. 13(7) inserted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), **Sch. 57 para. 5**

#### Commencement Information

- I1** Sch. 24 para. 13 in force at 1.4.2008 for certain purposes, 1.7.2008 for certain purposes, 1.1.2009 for certain purposes, and 1.4.2009 in so far as not already in force by S.I. 2008/568, art. 2 (with art. 3)

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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. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)
- Sch. 24 para. 28(fa)(ia) words substituted by [2024 c. 3 Sch. 1 para. 11](#)