

## CIOT: MEMBERS' SUMMARY GUIDE TO HMRC POWERS & PENALTIES

Powers: compliance	Applies to returns/taxes	Effective from	Reference
Powers: information and inspection to: <ul style="list-style-type: none"> <li>• Check a person's tax position</li> <li>• Obtain information from and inspect premises of involved third parties</li> <li>• Visit premises in connection with supply of goods</li> <li>• Enter and inspect premises for valuation purposes</li> </ul> Penalties associated to above powers: for failing to provide information, obstruction and concealment	IT, PAYE, NICs, CIS, CGT, CT VAT	1/4/2009 (SI2010/404)  Amendments from 13/8/2009 (SI 2009/2035)	S113 & Sch 36 FA 2008 As amended by Sch 47 & 48 FA 2009
	IPT, IHT, SD & SDLT, PRT, ET & relevant foreign tax, ED	13/08/2009 (SI 2009/2035) 1/4/2010 (SI2009/3054)	S95 & Sch 37 FA 2009 S96 & Sch 48 FA 2009
Inspection of computer records	IT, PAYE, NICs, CIS, CGT, CT VAT	21/08/2008	S114 FA 2008
Obtain contact details of debtors	Outstanding taxes due	21/07/2009	S97 & Sch 49 FA 2009
Collection of debts of up to £2,000 through the PAYE system (£3,000 from 20/7/2011)	Tax debts	6/04/2012 (SI 2011/1583, 2011/1584, 2011/1585)	S 110 & Sch 58 FA 2009
Introduction of managed payment plan for debtors	IT, CGT, CT	Deferred	S 111 & FA 2009
Publishing details of deliberate tax defaulters	All taxes	1/4/2010 (SI 2010/574)	S94 FA 2009
Align time limits for assessment & claims	VAT	1/4/2009 (SI 2009/586)	S118 & Sch 39 FA 2008
	IT, CGT, CT, IPT, ET, PAYE, NICs	1/4/2010 (SI 2009/403, 470, 588, 600)	
	IHT, SDLT, PRT	1/4/2011 (SI 2010/664, 2011/867)	S99 & Sch 51 FA 2009
Make corrections to returns	PAYE, IT, CGT, CT, VAT	1/4/2010 (SI 2009/405)	S119 FA 2008
Bulk and specialist information powers	All taxes	Anticipated 6/4/2012	FA 2011

**Abbreviations for taxes used in this note:** IT Income tax, CGT Capital gains tax, CT corporation tax, CIS Construction industry scheme, NICs National Insurance contributions, SD Stamp duty land tax/stamp duty reserve tax, ET Environmental taxes (aggregates, climate change & landfill levies), ED Excise duties (alcohol, tobacco, oil, gambling, air passenger), PS Pension schemes, PRT Petroleum revenue tax, IPT Insurance premium tax

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Penalties for:	Tax	Implementation date	Reference
<b>Error in a return or document:</b> <ul style="list-style-type: none"> <li>Taxpayer error</li> <li>Third party error</li> <li>Failure to notify HMRC about an under assessment</li> </ul>	IT, CGT, CT, VAT, PAYE, NICs, CIS	Return periods starting on or after 1/4/2008 where return is due on or after 1/4/2009 (SI 2008/568)	S97 & Sch24 FA 2007
	IHT, IPT, SD, PRT, ET, ED, pension schemes	Return periods starting on or after 1/4/2009 where return is due on or after 1/4/2010 (SI 2009/571)	S.112 & Sch40 FA 2008
Failure to notify chargeability for tax purposes	IT, NICs, CGT, PAYE, CIS, CT, VAT, IPT, ET, ED	1/4/2010 (SI 2009/511)	S.123 & Sch 41 FA 2008
<b>Certain VAT and excise wrong doing</b>	VAT, Excise duties		
<b>Late filing (failure to make a return on time)</b>	IT, Class 4 NICs, CGT	6/4/2011 For returns for any tax year ending after 5 April 2010 (SI 2011/702, 2011/703, 2011/784)	S.106 & Sch 55 FA 2009 S 26 & Sch 10 FA (No 3) 2010
	CIS	1/10/2011- by concession, transitional measures apply to penalties between 6/4/2009 and 1/10/2011	
	PAYE, NICs, CT, VAT, IHT, SD, PRT, PS, Bank payroll tax	TBA	
<b>Failure to make payments on time</b>	PAYE, NICs, CIS, Student loans	1/4/2010 (SI 2010/466, 2010/661, 2010/721)	S.107 & Sch 56 FA 2009 S 27 & Sch 11 FA (No 3) 2010
	IT, Class 4 NICs, CGT,	6/4/2011 For returns for any tax year ending after 5 April 2010 (SI 2011/702, 2011/703, 2011/784)	
	CT, SD, IHT, PS, PRT	TBA	
<b>Offshore income: increased penalties for:</b> <ul style="list-style-type: none"> <li>Errors in a return or document</li> <li>Failure to notify &amp; certain VAT and excise wrongdoing</li> <li>Failure to make a return</li> </ul>	Offshore IT, CGT, CT	6/4/2011 (SI 2011/976)	S35 & Sch 10 FA 2010 amending: <ul style="list-style-type: none"> <li>Sch 24 FA 2007</li> <li>Sch 41 FA 2008</li> <li>Sch 55 FA 2009</li> </ul>
<b>Record keeping</b>	Direct taxes not included in a return & PAYE, NICs, CIS, IT, CGT, CT, VAT	1/4/2009 (SI 2009/402)	S115 & Sch 37 FA 2008
	IPT, SD, ET	1/4/2010 (SI 2010/815)	S98 & Sch 50 FA 2009
<b>Interest on late payment &amp; repayment interest</b>	Alignment of interest rates across taxes	12/8/2009 (SI 2009/2032)	S.101, 102 & 103 \ & Sch 53 & 54 FA 2009
	IT	31/10/2011	
	PAYE, NICs, CIS, IT, CGT, VAT, SD, IHT, ET, ED, PS, IPT		
	CT, PRT	12/8/2009 (SI 2009/2032)	S.25 & Sch 9 FA (No 3) 2010
Interest on penalties paid late	CIS	Proposed 6/10/2011	

**Note: this is a summary guide only – refer to the longer CIOT guide and the legislation for all practical questions**