

# Compliance checks – Suspending penalties for careless errors in returns or documents

This factsheet tells you what happens when we suspend penalties for careless errors in returns or documents. We are sending it to you because we have charged you a penalty, and we may be able to suspend it. If we suspend your penalty, you will not have to pay it if you meet the conditions we set you.

This factsheet tells you:

- when we can suspend a penalty
- what you need to do before we suspend a penalty
- what you need to do during the suspension period
- what happens at the end of the suspension period.

## When we can suspend a penalty

We can only suspend penalties for careless errors in returns or documents. We cannot suspend them for deliberate or other errors. We only suspend penalties if we:

- can set conditions to help you avoid penalties in the future, and
- think you can meet these conditions.

If we decide not to suspend a penalty, you can appeal against our decision. For more information about this, please read 'What to do if you disagree'.

## What you need to do before we suspend a penalty

Before we suspend a penalty, you need to agree conditions with us. It is important that:

- you understand the conditions
- the conditions take your circumstances into account
- you can meet the conditions
- the conditions reflect the size of your error
- it will be clear to both you and us when you have met the conditions.

One of the conditions will be that you must make all returns to us on time and pay all amounts due to us on time. This condition will apply for the whole of the period of suspension.

Please think carefully about whether you can meet our conditions before you agree to them. If you are unsure about anything, please tell us. If you have an adviser, you can also ask them for help.

After you have agreed conditions with us, we will send you a notice of suspension. This will tell you the conditions and the suspension period.

## What you need to do during the suspension period

During the suspension period, you need to meet the conditions we set you. If you make an error that leads to a further penalty during the suspension period, you may have to pay the suspended penalty straightaway.

### If you need help

If you have any questions about this check or difficulty in obtaining any information mentioned in this factsheet, please contact the officer that wrote to you.

### Which tax periods and taxes these penalty rules apply to

The penalty rules in this factsheet apply to tax returns or documents for all the taxes listed below which are:

- due to be sent to us on or after 1 April 2010 and
- relate to a tax period beginning on or after 1 April 2009.

They also apply to returns or documents for the taxes listed below, indicated by an asterisk (\*), which were:

- due to be sent to us on or after 1 April 2009 and
- relate to a period beginning on or after 1 April 2008.

The penalty rules in this factsheet apply to:

Aggregates Levy  
Air Passenger Duty  
Alcohol Duty  
Bingo Duty  
Capital Gains Tax\*  
Climate Change Levy  
Construction Industry Schemes\*  
Corporation Tax\*  
Excise duties (Holding and Movements)  
Gaming Duty  
Hydrocarbon Oils Duty  
Income Tax (including Self Assessment)\*  
Inheritance Tax  
Insurance Premium Tax  
Landfill Tax  
Lottery Duty  
National Insurance Classes 1 and 4\*  
National Insurance Class 1A  
Pay As You Earn (PAYE)\*  
Petroleum Revenue Tax  
Pool Betting Duty  
Remote Gaming Duty  
Stamp Duty Land Tax  
Stamp Duty Reserve Tax  
Tobacco Duty  
VAT \*

If you need information on penalty rules for other taxes or other tax periods, please speak to the officer dealing with your compliance check.

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## What happens at the end of the suspension period

At the end of the suspension period, we will ask you whether you have met the conditions.

We may need to check your records and ask for other evidence, to make sure that you have met the conditions. Finally, if we agree that you have met the conditions, we will cancel the penalty. If we decide that you have not met the conditions, you will have to pay the penalty. You cannot appeal against this decision.

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## What to do if you disagree

When we make a decision that you can appeal against, we will write to you to explain the decision and tell you what you need to do if you disagree. You will usually have three options. Within 30 days you can:

- send new information or arguments to the officer you have been dealing with
- have your case reviewed by a different HMRC officer
- arrange for your case to be heard by an independent tribunal.

You can find more about this in factsheet HMRC1 *HM Revenue & Customs decisions – what to do if you disagree*. Details of how you can get a copy are in the right hand panel of this factsheet.

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## Your principal rights

- You have the right to be represented. You can appoint anyone to act on your behalf. This includes professional advisers, friends, relatives and so on.
- You have the right to consult your adviser. We will allow a reasonable amount of time for you to do so.
- We will protect information we obtain, receive or hold about you.
- We can only ask you for what is reasonable for us to carry out our check. What is reasonable will depend on the circumstances of the individual check.
- You have the right to complain if you believe that we have not treated you fairly.

If you have an adviser, you must still take reasonable care to make sure that any returns or documents you send us are correct.

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## Your Charter

To find out what you can expect from us and what we can expect from you, go to [www.hmrc.gov.uk/charter](http://www.hmrc.gov.uk/charter) and have a look at *Your Charter*.

## How you can find more information

You can find more information about what happens when we suspend penalties by going to [www.hmrc.gov.uk/manuals/chmanual/CH83100.htm](http://www.hmrc.gov.uk/manuals/chmanual/CH83100.htm)

## Don't stop sending returns or making payments

During the compliance check, please carry on sending returns and making payments when they are due.

## Benefits, fees, grants and tax credits

If you are receiving any benefits, fees or grants that are based on your income, and your income changes as a result of this check, you will need to tell the organisation that is paying you.

If you are receiving tax credits and your income changes as a result of this check, you must tell the Tax Credit Office. You can contact the helpline on **0845 300 3900**. For customers who are deaf, hearing or speech impaired, please phone **0845 300 3909 (textphone)**. Or you can write, marking your envelope 'Change of circumstances' to: Tax Credit Office  
Preston  
PR1 0SB

## Customers with particular needs

If you need extra help to deal with this check, please let the officer that wrote to you know. For example, if:

- English is not your first language
- you would like us to use a certain format to communicate with you, for example, Braille or Text Relay. If you use Text Relay by textphone dial **18001 + number**, by phone dial **18002 + number**
- you would like us to visit you at home because it is difficult for you to get to one of our offices.

## What if you are unhappy with our service

If you are unhappy with our service, please contact the person or office you have been dealing with. They will try to put things right. If you are still unhappy, they will tell you how to complain. Our factsheet *C/FS Complaints*, also tells you how to complain. You can get a copy of this from our website. Go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and look for *C/FS* within the Search facility. You can also

go to our website and under *quick links* select *Complaints & Appeals*.

If you prefer, you can write to:

Complaints Central Clearing

Team Manager

Ground Floor

1 Munroe Court

White Rose Office Park

Leeds

LS11 0EA

You will need to tell us the reference number and the address of the office that last wrote to you. Say exactly what you think has gone wrong and what you think we should do to put it right.

### **This factsheet is one of a series:**

The factsheets marked with an asterisk (\*) do not apply to Excise Duties.

CC/FS1 *General information*

\*CC/FS2 *Requests for information and documents*

\*CC/FS3 *Visits - Pre-arranged*

\*CC/FS4 *Visits - Unannounced*

\*CC/FS5 *Visits - Unannounced - Tribunal approved*

CC/FS6 *What happens when we find something wrong*

CC/FS7 *Penalties for errors in returns or documents*

CC/FS8(T) *Help and advice* (This relates to a specific type of check. We will tell you if it applies to you.)

CC/FS9 *Human Rights Act*

CC/FS10 *Suspending penalties for careless errors in returns or documents*

CC/FS11 *Penalties for failure to notify*

CC/FS12 *Penalties for VAT and Excise wrongdoing*

CC/FS13 *Publishing details of deliberate defaulters*

You can find these factsheets on our website. Go to

**[www.hmrc.gov.uk/compliance/factsheets.htm](http://www.hmrc.gov.uk/compliance/factsheets.htm)**

If you prefer, you can ask the officer dealing with the check to send any of them to you.

You can get factsheet HMRC1 *HM Revenue & Customs decisions - what to do if you disagree* from our website. Go to

**[www.hmrc.gov.uk/factsheets/hmrc1.pdf](http://www.hmrc.gov.uk/factsheets/hmrc1.pdf)**

If you prefer, you can get one from our orderline by phoning **0845 900 0404**.

### Your adviser

If you want to appoint an adviser to act on your behalf, you will need to send us a form 64-8. You can get one of these from our website. Go to **[www.hmrc.gov.uk](http://www.hmrc.gov.uk)** and look for *64-8* within the Search facility. If you prefer, you can get one by phoning the officer that wrote to you, or by phoning our orderline on **0845 900 0404**.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any rights of appeal. Any subsequent amendments to these notes can be found at **[www.hmrc.gov.uk](http://www.hmrc.gov.uk)**

Customer Information Team  
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