

HMRC Update

Self Assessment daily penalty notices being sent out in error

We have identified that nearly 12,000 people have been sent a Self Assessment daily penalty notice in error. We are really sorry and can reassure these customers that we know who they are and that this letter is incorrect – they do not owe a penalty. We are writing to all of them to apologise and to explain this error.

Many of the 12,000 customers are among the 130,000 who have already been taken out of Self Assessment, following a cleanse of the database and our invitation to customers to contact us if they felt that they shouldn't be in SA. We can reassure these customers that they have been removed from Self Assessment.

It is very unfortunate that this process error has taken the shine off the good news that we have taken 130,000 people out of Self Assessment.

Further Information/Background

- We have been approaching the new SA penalties with a clear message – we want the returns, not penalties. Through our efforts to remind those who haven't already done so, targeted on known late filers, we have encouraged 500,000 more people to file on time than last year.
- We have encouraged the remaining customers to file, and to file online, before daily fines kicked in on 1 May.
- We have lifted 130,000 customers out of Self Assessment, following a targeted cleanse of the database and our invitation to customers to contact us if they felt they shouldn't be in SA.
- It is a straightforward process taking customers out of SA for the future. But it is a very complicated process to take them out from the past year.
- We have identified that around 12,000 people have been sent a Self Assessment daily penalty notice in error. This letter is incorrect – they do not owe a penalty.
- We know who these customers are and will be writing to all of them to apologise and to reassure them that they have been removed from Self Assessment.
- Some of these 12,000 customers were not being taken out of SA for the future but we had to alter their 2010-11 record as we had agreed to cancel the £100 fixed penalty for this year.
- People affected will not need to take any action. They will get an apology letter and an amended SA statement to clearly show that no penalty is owing.

1. *Record Keeping for Business – Mobile Apps*

We let you know about HMRC's work with the IT software development industry to facilitate the provision of mobile record keeping applications (apps) for small businesses and the self-employed (who are under the VAT threshold) in our April update. We thought you'd like to know that these apps are now live and, at the last count, had already been downloaded more than 5600 times. Follow the link below for more information.

<http://www.hmrc.gov.uk/softwaredevelopers/mobile-apps/record-keeping.htm>

2. *Agent Update*

Keep up to date with news for tax agents and advisers. April edition of Agent Update can be found here. www.hmrc.gov.uk/agents/publications.htm