



HM Revenue
& Customs

Jim Harra
Chief Executive and First Permanent
Secretary

2/75
100 Parliament Street
London
SW1A 2BQ

Email Perm.secs@hmrc.gov.uk

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Dear all,

ACCA, CIOT, ATT, AAT, ICAEW, ICAS, CAI and IFA - Joint Letter on Self Assessment Filing Penalties

I wanted to follow up my letters of 18 December 2020 and 18 January 2021 about the issues your members are experiencing around meeting the Income Tax Self Assessment filing date.

We have been continuing to explore the options for easing the position for agents and taxpayers, and to monitor closely filing on a daily basis. We have also continued to listen to the evidence you have provided from your members. Thank you for your continued engagement.

In recent days we have seen a growing gap between forecast and actual numbers of returns coming in. The evidence is now suggesting that it is very likely that a larger than usual number of taxpayers will not be able to file on time, and will have a valid, Covid-related reasonable excuse for filing late.

So we have concluded that the most effective course of action is for us to assume that everyone who files by the end of February is in that position. Therefore, we will not charge late filing penalties for those who file online by 28 February. We will be issuing a press release this afternoon to that effect.

This easement applies only to the initial £100 late filing penalty. We are not moving the filing deadline and other self-assessment obligations are unchanged, including the obligation to pay on time. I would value your support in getting the message out that taxpayers should file and pay on time where possible.

We have increased support for customers who may need help with their tax liabilities. Once they have completed their 2019-20 tax return, customers can set up an online payment plan to spread Self Assessment bills of up to £30,000 over up to 12 monthly instalments.

Customers can apply for self-serve Time to Pay via GOV.UK. Interest will be applied to any outstanding balance from 1 February 2021. Customers with bills over £30,000, or who need

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longer than 12 months to pay their bill, can call HMRC on 0300 200 3822 to discuss time to pay.

We expect the extra month will help most people. There is no evidence at this time to suggest that a further extension is warranted. This would increase the risk of people incurring late payment penalties and missing out on our self-serve time to pay offer.

Thank you again for bringing your members' concerns to my attention. Your evidence of the real difficulties the accountancy profession has been experiencing has helped us reach this decision which I very much hope you will support.

I am happy for you to share this letter with your members.

Kind regards,



Jim Harra
CHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY