



HM Revenue  
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18 December 2020

Dear all,

### **ACCA, CIOT, ATT, AAT, ICAEW & ICAS - Joint Letter on SA Filing Penalties**

Thank you for your letters drawing my attention to the pressures your members are under and asking HMRC to waive late filing penalties for a short period after 31 January 2021.

I am grateful for the evidence you have provided and the constructive engagement you have had with my policy teams. We have carefully considered your request. Many of you were on the Representative Bodies Steering Group call on 16 December, when Angela MacDonald discussed with you that we do not currently plan to waive late filing penalties.

Let me explain our reasons. Our SA message this year is a simple one:

- We want to encourage as many customers as possible to complete their returns by 31 January 2021, even if they can't pay in full, because filing their return is key to crystallising their SA liability and being able to get our support, if they need it, to pay their tax.
- But no-one will have to pay a penalty if they cannot file on time because of the impact of the COVID-19 pandemic.

We do not want to complicate this message by sending a blanket signal that it's OK to file late. That could have some serious disadvantages for our customers; de-coupling the payment and filing dates might confuse customers, and even lead to non-payment, interest accruing, and late payment penalties being triggered. It would also encourage some customers to file late who really don't need to.

We know that some customers will not be able to file on time because of the impact of the pandemic on them or their tax agent. These customers should get their returns in as soon as they can. We will not penalise people who need more time. We will accept pandemic-related personal or business disruption as a reasonable excuse. If their return is late due to pandemic-related delay on the part of an agent, this will also be a valid reasonable excuse.

In the event that someone who has been unable to file on time receives a penalty notice, they or their agent will be able to get this cancelled easily by contacting HMRC. We are giving customers and agents more time by extending the penalty appeal period to 3 months.

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Text Relay service number – 18001



I know you will be disappointed that our decision is not what you and many of your members wanted. I understand and sympathise with the extreme pressures your members have been under in this exceptional year: they have helped deliver the economic response to the pandemic, helping UK businesses get the support they need while at the same time suffering the effects of the pandemic on their own firms. I am very grateful to them for their valuable and vital work.

At present, filing rates are holding up well, but we will continue to monitor the situation during January and keep matters under review.

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

Kind regards,



**Jim Harra**  
**CHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY**