

## SCHEDULES

### SCHEDULE 38

#### TAX AGENTS: DISHONEST CONDUCT

#### **PART 4**

#### SANCTIONS FOR DISHONEST CONDUCT

##### *Special reduction*

- 27 (1) This paragraph applies if HMRC propose to assess an individual to a penalty under paragraph 26 of £5,000.
- (2) If they think it right because of special circumstances, HMRC may take one or more of the following steps—
- (a) reduce the penalty to an amount below £5,000 (which may be nil),
  - (b) stay the penalty, or
  - (c) agree a compromise in relation to proceedings for the penalty.
- (3) “Special circumstances” does not include—
- (a) ability to pay, or
  - (b) the fact that a loss of tax revenue from a client is balanced by an overpayment by another person (whether or not a client).