



TC07948

Appeal number: TC/2020/01580

Land Transaction Tax - Penalty for failure to pay LTT on purchase of hotel - insufficiency of funds - Corporate tenant suspended payment of rents nationwide - prearranged bank loan to assist in paying bridging loan and LTT suspended - both issues Covid related - whether either reasonable excuse - on the facts no - appeal dismissed

**FIRST-TIER TRIBUNAL
TAX CHAMBER**

PRIME AESTHETICS LIMITED

Appellant

- and -

THE WELSH REVENUE AUTHORITY

Respondents

TRIBUNAL: JUDGE MICHAEL CONNELL

The Tribunal determined the appeal on 24 August 2020 without a hearing under the provisions of Rule 26 of the Tribunal Procedure (First-tier Tribunal)(Tax Chamber) Rules 2009 (default paper cases) having first read the Notice of Appeal dated 21 April 2020, and HMRC's Statement of Case dated 11 June 2020.

DECISION

1. This is an appeal by Prime Aesthetics Limited (“the appellant”) against penalties totalling £8,555 issued by the Welsh Revenue Authority (“WRA”) on 4 February 2020, for the appellant’s failure to pay an amount of devolved tax on or before the penalty date under s 122 of the Tax Collection and Management (Wales) Act 2016 (“TCMA”).

Background

2. The TCMA established WRA as a non-ministerial department of the Welsh Government which is responsible for the collection and management of devolved taxes, including Land Transaction Tax (“LTT”). From 1 April 2018, LTT (governed by the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (“LTTA”)) replaced Stamp Duty Land Tax in Wales.

3. A decision made by WRA about a penalty relating to a devolved tax is appealable to the First-tier Tribunal (Tax Chamber) by virtue of s 172(2)(d) TCMA. WRA accepts that as this appeal concerns a penalty, the burden is on WRA to prove that the imposition of the penalty was justified, before considering whether the appellant has shown that it had a reasonable excuse.

Facts

4. On 12 December 2019, WRA received a land transaction return filed online by Douglas Wemyss Solicitors as agent for the appellant. The return concerned the purchase of a freehold property in Wales, Little Chef and Travelodge, Tenby Road, St Clears, Carmarthen SA33 4JN, for a total consideration of £3,210,000 (“the Transaction”). The effective date of the Transaction is recorded in the return as 6 December 2019. The return recorded that LTT was due in the sum of £171,100. Payment of the tax has not been made to WRA to date.

5. On 4 February 2020, WRA issued a penalty to the appellant for failing to pay the LTT in the sum of £8,555, representing tax at 5% of the amount of consideration.

6. On 4 March 2020, the appellant requested a review of the penalty. The appellant gave the following information in its request for a review:

“The property in question was bid and bought in auction. The property purchase was completed within the stipulated six week period by a bridging loan. The plan was to buy the property with a bank loan subsequently and pay all dues including stamp duty. One of the shareholders has had to leave to India as a matter of urgency due to illness in family. As a consequence the loan application to the bank got delayed. Now that application is in process and the draw down will be on 30th April 2020. The loan will be used to fund the transfer of the bridging loan to the bank loan and also to pay the stamp duty from the same loan. Hence all monies of stamp duty owed will be paid thereafter on getting the loan. However the money for the penalty is not factored into

the loan applied for and the delay in getting the loan is because one shareholder has had to fly to India. I humbly request that on compassionate grounds you kindly grant the penalty to be waived off and any further action halted until first week of May 2020 when all the outstanding debt will be settled. I have requested a letter from the bank of the loan approval in principal and upon its receipt I shall forward the same to you.”

7. Following a review of the decision on 31 March 2020, WRA wrote to the appellant’s agent to confirm its conclusion that the penalty decision should be affirmed under s 176(4)(c) of TCMA.

8. The appellant submitted an appeal to the First-tier Tribunal, which was notified to WRA on 30 April 2020.

Relevant Legislation

Appeals

9. Section 178(1) of TCMA provides that an appeal against an appealable decision must be made to the Tribunal. Section 172(2) sets out which decisions of the WRA are appealable decisions and includes:

(d) a decision about a penalty relating to a devolved tax

The Requirement to Pay Land Transaction Tax

10. Section 56(1) of LTTA provides that:

The buyer in a chargeable transaction must pay the tax in respect of that transaction and accordingly the buyer is chargeable to the tax for the purposes of TCMA.

11. Section 17 of LTTA provides the following definition of ‘chargeable transaction’:

17 Chargeable transaction

A land transaction is a chargeable transaction unless -

- (a) it is a transaction that is exempt from charge as provided for in Schedule 3,
- or
- (b) it is a transaction that is relieved from tax by virtue of a provision listed in section 30(2) and in respect of which relief from tax is claimed.

12. Section 57 of LTTA provides for the payment of LTT as follows:

57 Payment of tax

- (1) Where a buyer in a land transaction makes a return, the buyer must pay any amount, or any additional amount, of tax payable not later than the filing date for the return.
- (2) Where a buyer in a land transaction amends a return in respect of that transaction, the buyer must pay any amount, or any additional amount, of tax payable as a result of that amendment -

- (a) if the amendment is made by the filing date for that return, not later than that date, and
 - (b) if the amendment is made after the filing date for the return, when the buyer gives notice of the amendment to WRA.
- (3) But see Chapter 3 (deferral of tax).

13. Section 40 of TCMA defines ‘filing date’:

40 Meaning of “filing date”

In the Welsh Tax Acts, the “filing date”-

- (a) in relation to a tax return for land transaction tax, is the day by which the return is required to be made under LTTA;
- (b) in relation to a tax return for landfill disposals tax, has the meaning given by section 39(4) of LDTA

14. Section 44 of LTTA imposes a duty to make a return on buyers in notifiable land transactions as follows:

44 Duty to make a return

- (1) The buyer in a notifiable land transaction must make a return to WRA.
- (2) A return made under this section must—
 - (a) be made before the end of the period of 30 days beginning with the day after the effective date of the transaction, and
 - (b) if the transaction is a chargeable transaction, include a self-assessment.
- (3) In this Act, “self-assessment” in relation to a return, means an assessment of the amount of tax that, on the basis of the information contained in that return, is chargeable in respect of the transaction.

15. Section 71 of LTTA defines the effective date of transaction as follows:

71 Meaning of effective date of transaction

Except as otherwise provided, the effective date of a land transaction for the purposes of this Act is the date of completion.

Late Payment Penalties

16. Insofar as relevant, s 122 of TCMA provides for a penalty as follows:

122 Penalty for failure to pay tax on time

- (1) A person is liable to a penalty if the person has failed to pay an amount of devolved tax on or before the penalty date in respect of that amount.
- (2) The penalty-
 - (a) in respect of an amount of land transaction tax, is 5% of the amount of unpaid tax;
 - [...]
 - [...]

(3) In this section and in sections 122ZA and 122A, the penalty date in respect of an amount of devolved tax specified in column 3 of Table A1 is the date specified in column 4. [30 days]

17. Section 125 of TCMA gives discretion to reduce a penalty where there are special circumstances:

125 Special reduction in penalty under Chapter 2

(1) WRA may reduce a penalty under this Chapter if it thinks it right to do so because of special circumstances.

(2) In subsection (1), “special circumstances” does not include—

(a) ability to pay, or

(b) the fact that a potential loss of revenue from one person is balanced by a potential over-payment by another.

(2A) But “special circumstances” may include the fact that WRA has agreed that a person may pay an amount of devolved tax in instalments over an agreed period.

(3) In subsection (1), the reference to reducing a penalty includes a reference to—

(a) remitting a penalty entirely,

(b) suspending a penalty, and

(c) agreeing a compromise in relation to proceedings for a penalty.

(4) In this section a reference to a penalty include a reference to any interest in relation to a penalty.

18. Under s 126 of TCMA, a person will not be liable to a penalty where WRA or the Tribunal is satisfied that there is a reasonable excuse:

126 Reasonable excuse for failure to make tax return or pay tax or amount payable in respect of tax credit.

(1) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to make a tax return, the person is not liable to a penalty under sections 118 to 120 in relation to the failure.

(2) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to pay a devolved tax, the person is not liable to a penalty under sections 122 or 122A in relation to the failure.

(2A) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to pay an amount payable in respect of a tax credit, the person is not liable to a penalty under section 123A in relation to the failure.

(3) For the purposes of subsections (1), (2) and (2A) -

(a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person's control;

(b) where a person relies on another person to do anything, that is not a reasonable excuse unless the first person took reasonable care to avoid the failure;

(c) where a person had a reasonable excuse for the failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

19. Section 127 of TCMA sets out how penalties are assessed:

127 Assessment of penalties under Chapter 2

- (1) Where a person becomes liable to a penalty under this Chapter, WRA must-
 - (a) assess the penalty,
 - (b) issue notice to the person of the penalty assessed, and
 - (c) state in the notice the period, transaction or amount in respect of which the penalty has been assessed.
- (2) An assessment of a penalty under this Chapter may be combined with an assessment to a devolved tax.
- (3) A supplementary assessment may be made in respect of a penalty under section 119 or 120 if an earlier assessment operated by reference to an underestimate of the amount of devolved tax to which a person would have been liable if a tax return had been made.
- (4) If -
 - (a) an assessment in respect of a penalty under section 119 or 120 is based on the amount of devolved tax to which a person would have been liable if a tax return had been made, and
 - (b) that liability is found by WRA to be excessive,WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount.
- (5) A supplementary assessment may be made in respect of a penalty under section 122, 122ZA or 122A if an earlier assessment operated by reference to an underestimate of the amount of devolved tax which was payable.
- (6) If an assessment in respect of a penalty under section 122, 122ZA or 122A is based on an amount of tax payable that is found by WRA to be excessive, WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount.
- (6A) A supplementary assessment may be made in respect of a penalty under section 123A if an earlier assessment operated by reference to an underestimate of the amount payable in respect of the tax credit in question.
- (6B) If an assessment in respect of a penalty under section 123A is based on an amount that is found by WRA to be excessive, WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount
- (7) An amendment made under subsection (4), (6) or (6B) -
 - (a) does not affect when the penalty must be paid, and
 - (b) may be made after the last day on which the assessment in question could have been made under section 128.

20. The time limit for the assessment of penalties is set out at s 128 of TCMA:

128 Time limit for assessment of penalties under Chapter 2

- (1) An assessment of a penalty under this Chapter must be made on or before the later of date A and (where it applies) date B.
- (2) Date A is the last day of the period of 2 years beginning with-
 - (a) in the case of failure to make a tax return, the filing date,
 - (b) in the case of failure to pay a devolved tax, the penalty date, or
 - (c) in the case of a failure to pay an amount payable in respect of a tax credit, the penalty date.
- (3) Date B is the last day of the period of 12 months beginning with-
 - (a) in the case of a failure to make a tax return-

- (i) the end of the appeal period for the assessment of the amount of devolved tax to which a person would have been liable if the tax return had been made, or
- (ii) if there is no such assessment, the date on which that liability is ascertained or it is ascertained that the liability is nil;
- (b) in the case of a failure to pay a devolved tax-
 - (i) the end of the appeal period for the assessment of the amount of devolved tax in respect of which the penalty is assessed, or
 - (ii) if there is no such assessment, the date on which that amount of devolved tax is ascertained.
- (c) in the case of a failure to pay an amount payable in respect of a tax credit, the end of the appeal period for the assessment of the amount in respect of which the penalty is assessed.
- (4) In subsection (2)(b), “penalty date” has the meaning given by section 122(3). (4A) In subsection (2)(c), “penalty date” has the meaning given by section 123A(3).
- (5) In subsection (3), “appeal period” means -
 - (a) if no appeal is made, the period during which an appeal could be made, and
 - (b) if an appeal is made, the period ending with its final determination or withdrawal.

Appellant’s grounds for appeal

21. The appellant’s grounds for appeal in its notice of appeal dated 30 April 2020 are as follows:

“The stamp duty payment due has not been paid on time due to the following reasons:

- i. One of the director [sic] is from overseas and in the current lockdown situation has not been able to transfer funds to pay for the Stamp Duty.
- ii. A loan application that was made at a local bank has been put on hold due to the recent Corona Pandemic.
- iii. Due to the pandemic the government has closed all hotels. The building on which stamp duty payment is due is a hotel building rented to Travelodge. Travelodge has suspended all rent payments on the buildings leased by them

The above reasons, which are beyond my control, have led to a delay in stamp duty payment. An additional liability of a penalty will add extra burden on the company which is suffering from rent suspension by its leaseholder namely Travelodge.

As soon as the lockdown opens and rent payments come in the stamp duty shall be paid and I am requesting a sympathetic consideration on an already burdened company for the penalty to be waived off”.

22. The appellant sets out the desired outcome in the Notice of Appeal as follows:

“I would humbly request time to pay stamp duty of six months and waiver to the penalty charge lodged for late payment of £8555.00.”

WRA's case

The time to pay request

23. In its Notice of Appeal the appellant requests an additional six months to pay the tax due in respect of the Transaction. While WRA has some discretion to agree time to pay arrangements in pursuance of its functions of the collection and management of devolved taxes, the use of such discretion is not an appealable decision listed in s 172 of TCMA. Such arrangements are in effect a use of WRA's discretion in relation to the enforcement of tax debts and do not alter the legal position in relation to the amount of tax due or the payment date, as these are set by legislation. Therefore, WRA respectfully submits that this is not a matter for the Tribunal.

24. However, for information only, WRA confirms it has received an application for time to pay from the appellant since the Notice of Appeal was submitted in relation to this matter. This is currently under consideration and further information has been sought from the appellant.

Liability to a penalty

25. WRA accepts that the initial burden lies on WRA to establish that events have occurred as a result of which a penalty is, prima facie, due.

26. WRA's position is that on the facts of this case a penalty arose under s 122 of TCMA. WRA relies on the information provided in the appellant's return filed on 12 December 2019 as documentary evidence of the facts as therein set out.

27. The appellant was the buyer of freehold property in Wales, for a total consideration of £3,210,000. A freehold estate in Wales is a chargeable interest under s 4 of LTTA, unless it is an exempt interest. Section 5 of LTTA sets out a list of exempt interests; none are relevant to the property in this case. An acquisition of a chargeable interest is a "Land Transaction" as defined by s 3 of LTTA.

28. Under s 17 of LTTA, a land transaction is a chargeable transaction unless it is exempt under Schedule 3 of LTTA or is relieved as a result of a provision listed in s 30(2) of LTTA, and such relief is claimed. None of the exemptions in Schedule 3 apply to this Transaction, and no relief under s 30(2) has been claimed by the appellant.

29. As such, the Transaction was a chargeable transaction, and by virtue of s 56(1) of LTTA the appellant must pay the tax in respect of the Transaction, unless -

- a) it is a transaction that is exempt from charge as provided for in Schedule 3, or
- b) it is a transaction that is relieved from tax by virtue of a provision listed in s 30(2) and in respect of which relief from tax

30. The effective date of the Transaction was 6 December 2019. The return was therefore due to be made by 5 January 2020, by virtue of s 44 of LTTA. 5 January 2020 is therefore the “filing date” as defined by s 40 of TCMA, and payment of the tax was due by that same date under s 57(1) of LTTA.

31. The penalty date for late payment of the tax in respect of the Transaction was 4 February 2020 (30 days after the filing date for the return as set out in Table A1 of s 122 of TCMA). The tax was not paid by that date (and still remains unpaid) and as a result the taxpayer became liable to a penalty under s 122 of 5% of the unpaid tax. WRA must assess the penalty and issue a penalty notice as a result of s 127 TCMA.

32. Under s 128(2)(a) of TCMA, the penalty in this case must be assessed within 2 years beginning with the penalty date (in this case, by 4 February 2022). WRA issued the penalty on 4 February 2020, within the time limits.

WRA’s Response to the Grounds for Appeal

33. It is unclear on what basis the appellant argues that the points raised in its grounds for appeal justify the setting aside of the penalty, whether it be on the basis of special circumstances under s 125(1) of TCMA, and/or a reasonable excuse under s 126(1) of TCMA.

34. WRA’s position is that the circumstances set out in the appellant’s Notice of Appeal cannot amount to either special circumstances or reasonable excuse in respect of the penalty charged.

Special Circumstances

35. The appellant’s grounds for appeal amount to reasons as to why the funds have not been available to pay the LTT due, namely:

- A director not being able to transfer funds.
- A loan application being put on hold.
- The suspension of rent payments by the lessee of the property.

36. However, s 125(2) of TCMA specifically provides that “special circumstances” does not include ability to pay. WRA’s position is therefore that the appellant’s grounds are excluded from being special circumstances by the legislation.

37. Section 125(2A) does provide that “special circumstances” may include the fact that WRA has agreed that a person may pay an amount of devolved tax in instalments over an agreed period. No such agreement had been reached at the time the penalty was issued, or to date.

Reasonable excuse

38. If a person satisfies WRA or (on appeal) the Tribunal that there is a reasonable excuse for a failure to pay a devolved tax, the person is not liable to a penalty under s 122 in relation to the failure (s 126(2)). WRA's position is that the test in *Perrin v HMRC* [2018] UKUT 156 (TC) as to what is a reasonable excuse should be applied:

70... the task facing the First-tier Tribunal when considering a reasonable excuse defence is to determine whether facts exist which, when judged objectively, amount to a reasonable excuse for the default and accordingly give rise to a valid defence. *The burden of establishing the existence of those facts, on a balance of probabilities, lies on the taxpayer.* In making its determination, the tribunal is making a value judgment which, assuming it has (a) found facts capable of being supported by the evidence, (b) applied the correct legal test and (c) come to a conclusion which is within the range of reasonable conclusions, no appellate tribunal or court can interfere with.

71. In deciding whether the excuse put forward is, viewed objectively, sufficient to amount to a reasonable excuse, the tribunal should bear in mind all relevant circumstances; because the issue is whether the particular taxpayer has a reasonable excuse, the experience, knowledge and other attributes of the particular taxpayer should be taken into account, as well as the situation in which that taxpayer was at the relevant time or times (in accordance with the decisions in *The Clean Car Co* and *Coales*).

75. It follows from the above that we consider the FTT was correct to say (at [88] of the 2014 Decision) that *"to be a reasonable excuse, the excuse must not only be genuine, but also objectively reasonable when the circumstances and attributes of the actual taxpayer are taken into account."*

39. The tax in this case was due to be paid by 5 January 2020, with a penalty date of 4 February 2020. Each of the three circumstances listed in the appellant's grounds for appeal reference the "lockdown" and or the Coronavirus pandemic.

40. The sets of Regulations bringing into force restrictions relating to Coronavirus (also known as the "lockdown") came into force on 26 March 2020, in England at 1:00pm and in Wales at 4.00pm.

41. Therefore, prima facie, the circumstances listed in the appellant's grounds for appeal are likely to have occurred sometime after the penalty date and on WRA's view cannot amount to a reasonable excuse for the failure to pay the tax by that date. It is WRA's position that the appellant has not satisfied the burden of proof in respect of reasonable excuse.

The Review Request

42. The information provided by the appellant in its request for a review dated 4 March 2020 ("the Request Information") is not repeated in the appellant's grounds for appeal and is not therefore within the scope of the appeal before the Tribunal. However, for the avoidance of doubt WRA's position is as follows.

43. The Request Information does not amount to special circumstances as s 125(2) of TCMA specifically provides that "special circumstances" does not include ability to pay.

44. In addition, the Request Information does not satisfy the burden on the appellant to show that it had a reasonable excuse for the following reasons:

- i. Section 126(3)(a) of TCMA states that “an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person's control”. WRA’s position is therefore that an insufficiency of funds is not a reasonable excuse where it could have been reasonably avoided by the taxpayer.
- ii. This reflects the position set out by the Upper Tribunal when considering a default surcharge under s 59 of the Value Added Tax Act 1994 in *ETB (2014) Ltd v Revenue and Customs Commissioners* [2016] UKUT 424 (TCC) (paragraph 15):

“In summary, the question to be asked when considering whether someone has a reasonable excuse for failing to pay an amount of tax on time because of a cash flow problem is whether the insufficiency of funds was reasonably avoidable. A cash flow problem would usually be regarded as reasonably avoidable if the person, having a proper regard for the fact that the tax was due on a particular date, could have avoided the insufficiency of funds by the exercise of reasonable foresight and due diligence”.

- i. The appellant would have or should have been aware that LTT would be due to be paid following the completion of the Transaction. The effective date of the Transaction was 6 December 2019.
- ii. The Review Information provided on 4 March 2020 refers to a delayed loan application being the cause of the appellant’s ability to pay LTT. The Review Information does not however confirm when the application for the loan was actually made (or the earliest funds would have been available, had the loan been made without delay).
- iii. It is WRA’s position that a reasonable taxpayer, exercising due diligence, would have ensured before completing the property purchase that funds would be in place (or very likely to be in place) to pay the LTT that would become due. The timeline of events does not show the level of due diligence expected of a taxpayer who had regard to the date that the tax would become due. If necessary, this would have meant applying for the bank loan prior to the effective date (allowing time for the application to be processed) in order to ensure that the money would be available to draw down in time to pay the LTT. The taxpayer in this case has not shown that the loan balance would have been available in time to pay the LTT had it not been for events which could not have been reasonably avoided.

Conclusion

45. A reasonable excuse is something that stops a person from meeting a tax obligation despite them having taken reasonable care to meet that obligation. As Judge Medd QC in *The Clean Car Co Ltd* explained:

One must ask oneself: was what the taxpayer did a reasonable thing for a responsible trader conscious of and intending to comply with his obligations regarding tax, but having the experience and other relevant attributes of the taxpayer and placed in the situation that the taxpayer found himself at the relevant time, a reasonable thing to do? Put in another way, which does not I think alter the sense of the question; was what the taxpayer did not an unreasonable thing for a trader of the sort I have envisaged, in the position that the taxpayer found himself, to do?

46. The Tribunal is required to approach the question of a reasonable excuse in line with the Upper Tribunal principles set out in *Perrin v HMRC* at paragraph 81:

81. When considering a “reasonable excuse” defence, therefore, in our view the FTT can usefully approach matters in the following way:

First, establish what facts the taxpayer asserts give rise to a reasonable excuse (this may include the belief, acts or omissions of the taxpayer or any other person, the taxpayer’s own experience or relevant attributes, the situation of the taxpayer at any relevant time and any other relevant external facts).

Second, decide which of those facts are proven.

Third, decide whether, viewed objectively, those proven facts do indeed amount to an objectively reasonable excuse for the default and the time when that objectively reasonable excuse ceased. In doing so, it should take into account the experience and other relevant attributes of the taxpayer and the situation in which the taxpayer found himself at the relevant time or times. It might assist the FTT, in this context, to ask itself the question “was what the taxpayer did (or omitted to do or believed) objectively reasonable for this taxpayer in those circumstances?”

Fourth, having decided when any reasonable excuse ceased, decide whether the taxpayer remedied the failure without unreasonable delay after that time (unless, exceptionally, the failure was remedied before the reasonable excuse ceased). In doing so, the FTT should again decide the matter objectively, but taking into account the experience and other relevant attributes of the taxpayer and the situation in which the taxpayer found himself at the relevant time or times.

47. Whether a person has a reasonable excuse will depend on the particular circumstances in which the failure occurred and the abilities of the person who has failed. What is a reasonable excuse for one person may not be a reasonable excuse for another.

48. I entirely concur with WRA’s assertions in paragraphs 38, 41 and 43 - 44 above. The facts as asserted by the appellant do not objectively constitute a reasonable excuse. The appellant has not demonstrated on the balance of probabilities that it has a reasonable excuse for its failure to pay the tax. A prudent customer would have ensured prior to completion of the transaction, or in this case prior to bidding for the property at auction that all necessary funds would be in place not only to complete but to discharge any taxes due.

49. Based on the evidence held, no reasonable excuse exists for the late payment of LTT return and the penalty has been correctly charged in accordance with legislation.

50. As WRA say, special circumstances are undefined save that they do not include ability to pay. They may include circumstances where imposing the penalty would be contrary to the clear compliance intention of the penalty law. To be special, any particular circumstance may or may not be specific to the individual taxpayer but it must be relevant to the issue under consideration. WRA's decision not to reduce the penalties was not flawed. WRA has taken into account all relevant issues.

51. The appeal is dismissed and the late payment penalty of £8,555 is confirmed.

52. This document contains full findings of fact and reasons for the decision. Any party dissatisfied with this decision has a right to apply for permission to appeal against it pursuant to Rule 39 of the Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules 2009. The application must be received by this Tribunal not later than 56 days after this decision is sent to that party. The parties are referred to "Guidance to accompany a Decision from the First-tier Tribunal (Tax Chamber)" which accompanies and forms part of this decision notice.

MICHAEL CONNELL

TRIBUNAL JUDGE

RELEASE DATE: 24 NOVEMBER 2020