



TC01585

Appeal number TC/2011/04633

Reasonable excuse. Appellant's internal administrative failings. Short delay.

FIRST-TIER TRIBUNAL

TAX

GLOBAL PETROLEUM ANALYTICS LIMITED

Appellant

- and -

**THE COMMISSIONERS FOR HER MAJESTY'S
REVENUE AND CUSTOMS**

Respondents

TRIBUNAL: GERAINT JONES Q. C. (TRIBUNAL JUDGE)

Sitting in public at Copthall House, Sutton on 12 September 2011.

No representation for the Appellant

Mr Robinson for HM Revenue and Customs, the Respondents

DECISION

1. The appellant, Global Petroleum Analytics Ltd, has appealed against penalties imposed upon it by HMRC in respect of its failure to send in its VAT returns and/or to pay the amount of VAT due by the end date for such filings and/or payment. The penalties are in respect of the quarters ended 31st March 2010, 30th June 2010 and 31st December 2010.
2. If an appellant is to establish that it has a "reasonable excuse" for its failure or failures it must establish that it has an excuse that, when viewed objectively, can properly be characterised as a reasonable excuse.
3. In the present appeal the appellant relies upon its own internal administrative failures. In my judgement such internal failures do not amount to and cannot be characterised as a reasonable excuse. If the situation was otherwise, it would be open to any person or company to administer its affairs in a disorderly manner and then to contend that a penalty could never be imposed because its own failings amounted to a reasonable excuse.
4. The appellant also contends that in respect of the three quarters mentioned above, it was late by nineteen days, nine days and seven days respectively. The appellant's Chartered Accountant has submitted that "*the taxpayer has been unjustly penalised for late delivery of paperwork.*" I cannot agree that any penalty is unjust because each penalty is the penalty prescribed by Parliament. There might possibly, upon appropriate facts, be a reasonable excuse for late filings by only a few days, but the mere fact that a filing is late by only a matter of days does not, of itself, amount to a reasonable excuse.
5. Furthermore, the Tribunal cannot allow an appeal on the basis that the penalties might be unjust, even if it took the view that any penalties were unjust which, in this case, I do not. The appellant knew the due dates by which its filings needed to take place, but it neglected to abide by them. The Tribunal cannot proceed otherwise because Parliament has laid down the circumstances in which penalties will accrue and the amounts in which any such penalties will accrue.
6. 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.

Decision.

Appeal dismissed.

5

TRIBUNAL JUDGE
RELEASE DATE: 21 NOVEMBER 2011

10