

Amendments 7 to 10 to Schedule 15: Large businesses: notification of uncertain tax treatment

Summary

1. These amendments are to ensure the provisions 'trigger' for notification works as intended, covering both provisions in partnership returns, and where the decision to make a provision occurs after the relevant return has been delivered to HMRC.

Details of the amendments

2. Amendment 7 provides that it is only for company or partnership returns that the deadline for notifying uncertainties where a provision is made in the entity's accounts is based upon the year in which the provision is recognised in those accounts.
3. Amendment 8 removes reference to members of a partnership, such that the provisions trigger applies to provisions made in the accounts of the partnership itself.
4. Amendment 9 provides that the deadline for notifying uncertainties in a VAT or PAYE return, where a provision is made in the entity's accounts, is based upon the year after that in which the provision is recognised in those accounts.
5. Amendment 10 removes reference to members of a partnership, such that the provisions trigger applies to provisions made in the accounts of the partnership itself.

Background note

6. These amendments are to ensure the legislation achieves the intended policy.
7. Amendments 7 and 9 set out deadlines for notification, triggered by the inclusion of a provision in a set of accounts, where a decision to recognise a provision occurs after the relevant tax return has been filed.
8. Amendment 7 ensures that for company or partnership returns, the deadline is as if the relevant return were for the period in which the provision is recognised. This ensures that the notification deadline is after the decision to include a provision in the accounts.
9. Amendment 9 ensures that for VAT and PAYE returns, where a provision is recognised, the deadline for notification falls after the decision to recognise that provision is made. Given the shorter filing deadline for those returns, it is necessary to make the deadline as if those returns were for the financial year after the year in which the provision is recognised.

10. Amendments 8 and 10 both ensure that for partnerships, the provisions trigger operates where a provision has been made in the partnership accounts, rather than requiring notification where a provision has been made in the accounts of a partnership member.