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**Chief Finance Officers of English Billing Authorities**

**FOR THE ATTENTION OF THE BUSINESS RATES SECTION**

Dear Chief Finance Officer

**Business Rates Information Letter (4/2012): The Cancellation of Certain Backdated Rates Liabilities and Additional Information**

This is the fourth business rates information letter to be issued by the Department of Communities and Local Government this year. Previous letters are available on the internet at:

<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/Busratesinformationletters/>

**This letter covers:**

- **The Cancellation of Certain Backdated Rates Liabilities**
- **Demand Notices Regulations**

**The Cancellation of Certain Backdated Rates Liabilities**

1. This Government has been committed to finding a solution to the 'ports tax' – the unfair backdated rates bills incurred by some businesses (including many located within ports) across England from 2008. Despite the financial constraints, we have honoured our commitment to find a permanent solution to the problem. The Government has now put in place the Non-Domestic Rating (Cancellation of Backdated Liabilities) Regulations 2012 (SI 2012/537).

2. The regulations will apply to all eligible businesses across England faced with a similar backdated rates liability and is not just for businesses within ports. The Government estimates that the cost of cancelling certain backdated liabilities for all eligible properties to be in the region of £175m. Attached to this business rates information letter is the final guidance setting out how to apply the cancellation policy. If you have any questions or comments on the guidance or regulations then please email: [ndr@communities.gov.uk](mailto:ndr@communities.gov.uk)

## **Demand Notices Regulations**

3. Further to Business Rates Information Letter 2/2012 and the further email sent on 16 February 2012. We can now confirm that the Demand Notice Regulations (SI 2012/ 538) have been laid. The changes to the Demand Notice Explanatory Notes are the same as set out in Business Rates Information Letter 2/12 which can be found at the following link:

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<http://www.communities.gov.uk/documents/localgovernment/pdf/2076167.pdf>

4. A copy of the regulations can be found at: <http://www.legislation.gov.uk>

5. For clarity, these are the general changes that apply to all authorities as set out in paragraph 7 of part 1 of schedule 2 and equivalent sections of part 3 paragraph 3.

6. Other parts of the Demand Notice regulations relating to the city multiplier, rural rate relief and Business Rates Supplement are not being amended so are still to be applied, if applicable.