

## THE DISGUISED REMUNERATION REPAYMENT SCHEME 2020

### 1. Establishing the Scheme

- 1.1. This scheme (the “**Disguised Remuneration Repayment Scheme 2020**” or “**Scheme**”) is established pursuant to section 20 of Finance Act 2020.

### 2. Operation of the Scheme

- 2.1. This Scheme is operative from the date Finance Bill 2020 receives Royal Assent and clauses 20 (Repaying sums paid to HMRC under agreements relating to certain loans etc) and 21 (Operation of the scheme) thereof come into force.
- 2.2. This Scheme may be amended by the Commissioners at any time and from time to time.

### 3. Defined words and phrases

- 3.1. In this Scheme:

- 3.1.1. “**Acceptance**” means a written notice sent by the applicant to the Commissioners satisfying the requirements set out in paragraph 6.9;

- 3.1.2. “**Adjustment Amount**” means an amount representing tax or any other liability that the Commissioners decide is necessary to account for in determining an application so as to prevent any person from obtaining a tax or National Insurance advantage as a result of a repayment or waiver under this Scheme and which shall include but not be limited to:

- 3.1.2.1. where relevant, an amount representing the corporation tax that would have arisen had any person that reduced its profits chargeable to corporation tax for any accounting period on account of the payment of Voluntary Restitution under the settlement agreement not done so;

- 3.1.2.2. where relevant, an amount representing the income tax and National Insurance contributions that would have arisen had any person that reduced its profits for any accounting period on account of the payment of Voluntary Restitution under the settlement agreement not done so;

- 3.1.2.3. where relevant, an amount representing the income tax and National Insurance contributions that would have arisen had any person that benefitted from a reduction in the value of a chargeable step by an amount representing the return on earnings under paragraph 59(2)(a) of Schedule 2 to Finance Act 2011 on account of the payment of Voluntary Restitution under the settlement agreement been denied that benefit; and
- 3.1.2.4. where relevant, an amount representing the income tax and National Insurance contributions that would have been payable had any person that benefitted from a payment of Voluntary Restitution under the settlement agreement being treated as a payment on account under section 554Z11C of ITEPA 2003 been denied that benefit;
- 3.1.3. **“Adjustment Amounts Set Off”** means the amount available to be set off against the Adjustment Amounts;
- 3.1.4. **“applicant”** means a person or persons making an application and where more than one applicant is making an application any reference in this Scheme to the applicant is a reference to all of the applicants acting jointly;
- 3.1.5. **“application”** means an application under this Scheme for a repayment or waiver;
- 3.1.6. in the context of National Insurance contributions, **“Class 1”**, **“Class 1A”**, **“Class 2”** and **“Class 4”** shall have the meanings given to them in section 1(2) of the Social Security Contributions and Benefits Act 1992 or section 1(2) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, as applicable;
- 3.1.7. **“Commissioners”** means the Commissioners for Her Majesty’s Revenue and Customs;
- 3.1.8. **“Confirmation”** means a written notice sent by the applicant to the Commissioners in response to a Continuation Notice confirming that the applicant wishes to continue with the application;
- 3.1.9. **“Continuation Notice”** means a written notice sent by the Commissioners to the applicant seeking confirmation that the applicant wishes to continue with the application;

- 3.1.10. “**counterparty**” means a signatory to a settlement agreement other than the Commissioners provided that where, at the Commissioners’ discretion, a settlement agreement has been replaced with another agreement by way of novation or otherwise, it means the signatory to the replacement agreement other than the Commissioners;
- 3.1.11. “**Default Interest**” means such interest as is decided by the Commissioners to have been paid to them, or to be due to be paid to them, under a settlement agreement on account of the non-payment or late payment of an amount of Voluntary Restitution or Interest due under that settlement agreement;
- 3.1.12. “**deputy**” means the person appointed under section 16 of the Mental Capacity Act 2005 to make decisions on the counterparty’s behalf in relation to the counterparty’s property and affairs or such other person as the Commissioners may decide has authority to act on the counterparty’s behalf where the counterparty lacks the required mental capacity;
- 3.1.13. “**Forward Interest**” means such interest as is decided by the Commissioners to have been paid to them, treated as being paid to them, or to be due to be paid to them, under the settlement agreement by reason of payments of Voluntary Restitution being made under an instalment payment plan;
- 3.1.14. “**full and final satisfaction**” of an application means that the applicant, their personal representative and any deputy of theirs shall cease to be eligible for a repayment or waiver under this Scheme;
- 3.1.15. “**Interest**” comprises Forward Interest and Statutory Late Payment Interest;
- 3.1.16. “**ITEPA 2003**” means the Income Tax (Earnings and Pensions) Act 2003;
- 3.1.17. “**Legal Documentation**” means any documentation that when legally binding on all parties to it discharges, varies or supplements the legal obligations contained in the settlement agreement;
- 3.1.18. “**loan**” and “**quasi-loan**” have the meaning given to them in Part 1 of Schedule 11 to Finance (No 2) Act 2017 or Schedule 12 to that Act;
- 3.1.19. “**month**” means calendar month;

- 3.1.20. **“National Insurance contributions”** means a liability arising under Part 1 of the Social Security Contributions and Benefits Act 1992 or Part 1 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;
- 3.1.21. **“New Settlement Amount”** means the amount of tax, National Insurance and other liabilities that a counterparty will be obliged to pay under the settlement agreement once the Legal Documentation becomes legally binding on all parties to it;
- 3.1.22. **“Notice of Intention to Recover”** means a written notice sent by the Commissioners to the applicant satisfying the requirements set out in paragraph 8.2;
- 3.1.23. **“officer of Revenue and Customs”** has the meaning given to it by section 2(1) of the Commissioners for Revenue and Customs Act 2005;
- 3.1.24. for the purposes of paragraph 3.1.44 whether the subject of a loan or quasi-loan was **“outstanding”** at the time the settlement agreement was made is to be determined in accordance with the provisions of Schedule 11 to Finance (No 2) Act 2017 or Schedule 12 to that Act and does not depend on the loan or quasi-loan subsisting at the time the settlement agreement was made;
- 3.1.25. **“personal representative”** means the person entitled under the law of England and Wales to administer a deceased person’s property situated in England and Wales;
- 3.1.26. **“Pre-settlement Payments”** means amounts treated as payments pursuant to an Accelerated Payment Notice, withdrawals of a tax deposit under the Certificate of Tax Deposit Scheme or payments on account for the purposes of a settlement agreement;
- 3.1.27. **“reasonable disclosure”** has the meaning given to it in section 20(5) of Finance Act 2020;
- 3.1.28. **“Recovery Decision”** means a written notice sent by the Commissioners to the applicant satisfying the requirements set out in paragraph 8.9;
- 3.1.29. **“Recovery Response”** means a written notice sent by the applicant to the Commissioners satisfying the requirements set out in paragraph 8.4;

- 3.1.30. **“Release Amount”** means the amount the counterparty will be obliged to pay to the Commissioners once the Legal Documentation becomes legally binding on all parties to it;
- 3.1.31. **“repayment”** means the repayment of Voluntary Restitution and Interest paid or treated as being paid to the Commissioners under a settlement agreement;
- 3.1.32. **“Repayment Amount”** is the amount the applicant will be eligible to receive from the Commissioners once the Legal Documentation becomes legally binding on all parties to it;
- 3.1.33. **“Repayment Decision”** means a written notice sent by the Commissioners to the applicant satisfying the requirements set out in paragraph 6.6;
- 3.1.34. **“Repayment Demand”** means a written notice sent by the Commissioners to the applicant demanding the payment of the amount stated in a Notice of Intention to Recover, including a Notice of Intention to Recover amended under paragraph 8.9.2, or some lesser amount, and stating the date by which the payment must be made;
- 3.1.35. **“Review Request”** means a written notice sent by the applicant to the Commissioners satisfying the requirements set out in paragraph 6.12;
- 3.1.36. **“settlement agreement”** means an agreement:
- 3.1.36.1. made with the Commissioners;
  - 3.1.36.2. on or after 16 March 2016 and before 11 March 2020;
  - 3.1.36.3. for, at the Commissioners’ discretion, the settlement of liabilities arising out of the use of one or more disguised remuneration schemes;
  - 3.1.36.4. which, at the Commissioners’ discretion, and having regard to paragraph 3.1.37, the Commissioners may decide imposes an obligation on any party to the agreement to pay an amount of income tax that is referable (directly or indirectly) to a loan or quasi-loan made on or after 6 April 1999 and before 6 April 2016; and
  - 3.1.36.5. which, at the Commissioners’ discretion, does not replace an agreement made before 16 March 2016 between any person and the Commissioners;

- 3.1.37. for the purpose of paragraph 3.1.36.4, an amount of income tax is “referable (directly or indirectly) to a loan or quasi-loan” if it is, at the Commissioners’ discretion, charged on, or arises on or in respect of, an amount of income that is, or overlaps with, the subject of that loan or quasi-loan;
- 3.1.38. “**Settlement Credit**” means a credit given in place of a repayment of income tax paid pursuant to the provisions of the benefits code (as defined in section 63 of ITEPA 2003), Class 1A National Insurance contributions, corporation tax or repayment interest thereon and set off in the settlement agreement against any part of the tax, National Insurance or other liabilities the counterparty settled under that settlement agreement;
- 3.1.39. “**Settlement Payments**” means amounts paid under a settlement agreement;
- 3.1.40. “**Statutory Late Payment Interest**” means such interest as is decided by the Commissioners to have been charged on Voluntary Restitution and paid to them, treated as being paid to them or due to be paid to them, under a settlement agreement;
- 3.1.41. “**tax return**” shall have the meaning given to it in section 20(8) of Finance Act 2020 and a tax return shall be treated as being of the same type as another if both fall within the same paragraph of the definition of tax return in that section;
- 3.1.42. “**Updated Repayment Decision**” means a written notice sent by the Commissioners to the applicant following a Review Request satisfying the requirements set out in paragraph 6.19;
- 3.1.43. “**Voluntary Restitution**” means the amount paid, treated as paid or due to be paid under a settlement agreement that, at the Commissioners’ discretion, and having regard to paragraphs 3.1.44 to 3.1.46, the Commissioners may decide satisfies the requirements of being:
- 3.1.43.1. an amount of:
- 3.1.43.1.1. income tax; or
  - 3.1.43.1.2. National Insurance contributions;
- 3.1.43.2. referable (directly or indirectly) to a loan or quasi-loan made on or after 6 April 1999 and before 6 April 2016;

- 3.1.43.3. that an officer of Revenue and Customs had no power to recover at the time the settlement agreement was made;
  - 3.1.43.4. that was treated for the purposes of the settlement agreement as an amount an officer of Revenue and Customs had no power to recover; and
  - 3.1.43.5. that, in a case where the loan or quasi-loan mentioned in paragraph 3.1.43.2 was made on or after 9 December 2010, at a time when an officer of Revenue and Customs had the power to recover the amount a tax return, or two or more tax returns of the same type taken together, contained a reasonable disclosure of the loan or quasi-loan;
- 3.1.44. for the purposes of paragraph 3.1.43.2 an amount is “referable (directly or indirectly) to a loan or quasi-loan” if and only to the extent that it is, at the Commissioners’ discretion, charged on, or arises on or in respect of, an amount of income that is, or overlaps with, such of the subject of that loan or quasi-loan as was outstanding at the time the settlement agreement was made;
- 3.1.45. for the purposes of paragraphs 3.1.43.3 and 3.1.46.1, an officer of Revenue and Customs will be treated as having had power to recover an amount at the time a settlement agreement was made if at that time they had:
- 3.1.45.1. where the amount is an amount of income tax, issued a determination under regulation 80 of the Income Tax (Pay As You Earn) Regulations 2003 in respect of any year for which the amount may have been payable or had power to issue such a determination; and
  - 3.1.45.2. where the amount is an amount of Class 1, Class 2 or Class 4 National Insurance contributions, taken action to protect or recover the amount or could have taken action to protect or recover the amount;
- 3.1.46. for the purposes of paragraph 3.1.43.3, where an amount was treated for the purpose of a settlement agreement as an amount of income tax that would arise on a future relevant step within the meaning of Part 7A of ITEPA 2003, an officer of Revenue and Customs will be treated as

having had no power to recover it at the time the settlement agreement was made only if the sum of money or asset that was the subject of the future relevant step on which it arose overlapped with a sum of money or asset by reference to which, on an occasion that occurred before the settlement agreement was made, a liability for an amount of income tax (the “earlier amount”) arose and:

3.1.46.1. the Commissioners did not have the power to recover the earlier amount at the time the settlement agreement was made; and

3.1.46.2. where the liability for the earlier amount was settled under the settlement agreement, the earlier amount was treated for the purposes of the settlement agreement as an amount an officer of Revenue and Customs had no power to recover;

3.1.47. “**waiver**” means the discharge (given effect to however the Commissioners may decide) of the obligation contained in a settlement agreement to pay Voluntary Restitution and Interest under that settlement agreement; and

3.1.48. “**Waiver Amount**” means the amount of tax, National Insurance and other liabilities a counterparty will be discharged from the obligation to pay under the settlement agreement once the Legal Documentation becomes legally binding on all parties to it.

#### **4. Eligibility to make an application**

##### Applicants

4.1. A counterparty may make an application.

4.2. Where there is only one counterparty an application can be made only by that counterparty.

4.3. Where there is more than one counterparty an application can be made only by all of the counterparties jointly.

4.4. Where a counterparty has died, an application can be made only by the deceased counterparty’s personal representative.



- 4.5. Where a counterparty lacks the mental capacity needed to make an application an application can be made only by that counterparty's deputy.

#### Assuming an application

- 4.6. Where a counterparty dies subsequent to making an application, the counterparty's personal representative may assume the deceased counterparty's application.
- 4.7. Where a counterparty loses mental capacity subsequent to making an application, the counterparty's deputy may assume the counterparty's application.
- 4.8. Where a deceased counterparty's personal representative assumes an application under paragraph 4.6, or a counterparty's deputy assumes an application under paragraph 4.7, they will become the applicant for the purposes of that application.

## **5. The application process**

### The application

- 5.1. To be valid an application must:
- 5.1.1. be made in accordance with paragraph 4;
  - 5.1.2. be made using the form provided by the Commissioners for the purpose of making an application under this Scheme;
  - 5.1.3. include the information requested in the form provided by the Commissioners;
  - 5.1.4. be submitted:
    - 5.1.4.1. by post to HM Revenue & Customs, Counter-Avoidance, S0694, Newcastle NE98 1ZZ;
    - 5.1.4.2. by post to such other address as the Commissioners may provide for the purpose;
    - 5.1.4.3. by email to [ca.loancharge@hmrc.gov.uk](mailto:ca.loancharge@hmrc.gov.uk); or
    - 5.1.4.4. by such other method as the Commissioners may specify; and
  - 5.1.5. be received by the Commissioners on or after the date this Scheme becomes operative and on or before 30 September 2021.

- 5.2. The Commissioners may request further information from the applicant where such information is reasonably required:
  - 5.2.1. to make the application valid in accordance with paragraph 5.1; or
  - 5.2.2. to enable the Commissioners to determine whether an application is valid in accordance with paragraph 5.1.
- 5.3. Further information required under paragraph 5.2 must be requested by the Commissioners sending a written notice to the applicant stating:
  - 5.3.1. the further information requested; and
  - 5.3.2. the date by which the further information must be received by the Commissioners.
- 5.4. Where the Commissioners receive the further information requested under paragraph 5.3 by the date notified under paragraph 5.3.2 they will send a written notice to the applicant stating whether their application is valid.
- 5.5. Where the Commissioners do not receive the further information requested under paragraph 5.3 by the date notified under paragraph 5.3.2 they may terminate the application.

#### Withdrawal of an application

- 5.6. The applicant may withdraw their application at any time prior to the date the Legal Documentation becomes legally binding on all parties to it by sending a written notice to the Commissioners stating that the application is withdrawn.
- 5.7. Where an applicant withdraws an application under paragraph 5.6 the withdrawal will be effective on the date the notice is received by the Commissioners.
- 5.8. Where an application is being made by applicants jointly the withdrawal of the application by one applicant in accordance with paragraph 5.6 will effect the withdrawal of the application for all the applicants.

## **6. The determination process**

- 6.1. A valid application will be considered by the Commissioners and determined in accordance with this Scheme.

- 6.2. The Commissioners may at any time request further information from the applicant where such information is reasonably required to enable the Commissioners to determine:
  - 6.2.1. any of the items that must be stated in a Repayment Decision under paragraph 6.6; or
  - 6.2.2. any other matter related to the determination of the application.
- 6.3. Further information required under paragraph 6.2 must be requested by the Commissioners sending a written notice to the applicant stating:
  - 6.3.1. the further information requested; and
  - 6.3.2. the date by which the further information must be received by the Commissioners.
- 6.4. Where the Commissioners do not receive the further information requested under paragraph 6.3 by the date notified under paragraph 6.3.2 they may terminate the application.

#### Repayment Decisions

- 6.5. After considering a valid application and any further information received in response to a request under paragraph 6.3 the Commissioners will send a Repayment Decision.
- 6.6. A Repayment Decision must state:
  - 6.6.1. the date it was issued;
  - 6.6.2. the Commissioners' decision as to whether or not the applicant is eligible for a repayment or waiver;
  - 6.6.3. if the applicant is not eligible for a repayment or waiver, the reason(s) why it is not eligible; and
  - 6.6.4. if the applicant is eligible for a repayment or waiver, such of the following as are relevant to the application:
    - 6.6.4.1. the Voluntary Restitution;
    - 6.6.4.2. the Interest;
    - 6.6.4.3. the Waiver Amount;
    - 6.6.4.4. the New Settlement Amount;
    - 6.6.4.5. the Pre-settlement Payments;
    - 6.6.4.6. the Settlement Credits;
    - 6.6.4.7. the Settlement Payments;

- 6.6.4.8. Default Interest;
- 6.6.4.9. the Adjustment Amounts;
- 6.6.4.10. the Adjustment Amounts Set Off; and
- 6.6.4.11. the Repayment Amount / Release Amount.

6.7. The Commissioners may send an amended Repayment Decision at any time prior to the date the Legal Documentation becomes legally binding on all parties to it.

### Acceptances

6.8. If an applicant wishes to accept the Repayment Decision they must send an Acceptance.

6.9. An Acceptance must state:

- 6.9.1. the identifying details of the Repayment Decision to which it relates;
- 6.9.2. the applicant's acceptance of the Repayment Decision; and
- 6.9.3. where the Repayment Decision includes a Repayment Amount:

- 6.9.3.1. the name, address and bank details of the person to whom the Repayment Amount should be paid; and

- 6.9.3.2. where the Repayment Amount is to be paid to more than one person, the names, addresses and bank details of the persons to whom the Repayment Amount should be paid and the amounts or proportions each payee should receive.

6.10. The Commissioners must receive an Acceptance within two months of the date of issue of the Repayment Decision.

### Review Requests

6.11. If an applicant wishes the Commissioners to review any of the matters stated in a Repayment Decision they must send a Review Request.

6.12. A Review Request must state:

- 6.12.1. the identifying details of the Repayment Decision to which it relates;

- 6.12.2. the grounds on which the applicant is seeking a review;

- 6.12.3. the deficiency the applicant has identified in the Repayment Decision; and

- 6.12.4. the correction the applicant wishes the Commissioners to make to the Repayment Decision.

6.13. The Commissioners must receive a Review Request within two months of the date of issue of the Repayment Decision.

6.14. A Review Request must include any evidence the applicant wishes the Commissioners to consider in support of their Review Request.

#### No response / late response to a Repayment Decision

6.15. If the Commissioners do not receive an Acceptance in accordance with paragraph 6.10, or a Review Request in accordance with paragraph 6.13, in response to a Repayment Decision they may terminate the application.

#### Updated Repayment Decisions

6.16. In response to a Review Request the Commissioners will review the Repayment Decision to which the Review Request relates and send an Updated Repayment Decision.

6.17. The review of the Repayment Decision will be undertaken on behalf of the Commissioners by an officer of Revenue and Customs who was not involved in making the Repayment Decision.

6.18. An Updated Repayment Decision will be sent within two months of the date the Commissioners received the Review Request.

6.19. An Updated Repayment Decision must:

6.19.1. state the date it was issued; and

6.19.2. state that the Repayment Decision to which the Review Request relates is upheld; or

6.19.3. satisfy the requirements set out in paragraph 6.6.

6.20. The Commissioners may request further information from the applicant where such information is reasonably required to enable the Commissioners to determine any of the matters that must be stated in an Updated Repayment Decision.

6.21. Further information required under paragraph 6.20 must be requested by the Commissioners sending a written notice to the applicant stating:

6.21.1. the further information requested; and

6.21.2. the date by which the further information must be received by the Commissioners.

6.22. Paragraphs 6.8 to 6.10 apply in respect of an Updated Repayment Decision as they do to a Repayment Decision.

6.23. If the Commissioners do not receive an Acceptance within two months of the date of issue of the Updated Repayment Decision they may terminate the application.

6.24. An Updated Repayment Decision is not subject to a review under paragraph 6.11.

#### Confirming the application

6.25. The Commissioners may at any time until the Legal Documentation becomes binding on all parties to it send a Continuation Notice.

6.26. If the Commissioners do not receive a Confirmation within three months of the date the Continuation Notice was sent they may terminate the application.

#### Terminating the application

6.27. Where the Commissioners terminate an application under paragraph 5.5, 6.4, 6.15, 6.23 or 6.26 they must send a written notice to the applicant stating that the application has been terminated.

6.28. Termination of an application is effective on the date the notice referred to in paragraph 6.27 is sent to the applicant.

6.29. Termination of an application is treated for all purposes as the full and final satisfaction of that application.

## **7. Legal Documentation**

7.1. The Commissioners will send the Legal Documentation to the applicant.

7.2. Prior to the Legal Documentation becoming legally binding on all parties to it:

7.2.1. no person shall have any right to a waiver under the Scheme;

7.2.2. no person shall have any right to a repayment under the Scheme; and

7.2.3. the parties' respective rights and obligations under the settlement agreement shall be unaffected.

7.3. When the Legal Documentation becomes legally binding on all parties to it the application shall be treated for all purposes as being fully and finally satisfied.

## **8. Recovering amounts repaid, set off and waived**

### Notice of Intention to Recover

- 8.1. Where the Commissioners decide that an application, Repayment Decision, Review Request, Updated Repayment Decision, further information or evidence provided in accordance with this Scheme, or Legal Documentation contains an error or omission that has resulted in a person receiving a financial advantage that they would not otherwise be entitled to, the Commissioners may, within 12 months of the person receiving the financial advantage, send a Notice of Intention to Recover.
- 8.2. A Notice of Intention to Recover must state:
  - 8.2.1. the date it was issued;
  - 8.2.2. the Repayment Decision or Updated Repayment Decision to which it relates;
  - 8.2.3. the Commissioners' intention to recover an amount from the applicant;
  - 8.2.4. the amount the Commissioners intend to recover from the applicant; and
  - 8.2.5. the reason(s) the Commissioners intend to recover the amount from the applicant.

### Recovery Response

- 8.3. If an applicant wishes to dispute any of the matters stated in a Notice of Intention to Recover they must send a Recovery Response.
- 8.4. A Recovery Response must state:
  - 8.4.1. the identifying details of the Notice of Intention to Recover to which it relates;
  - 8.4.2. the matters stated in the Notice of Intention to Recover that the applicant disputes;
  - 8.4.3. the grounds on which the applicant disputes those matters; and
  - 8.4.4. the correction the applicant wishes the Commissioners to make to the Notice of Intention to Recover.
- 8.5. The Commissioners must receive a Recovery Response within two months of the date of issue of the Notice of Intention to Recover to which it relates.
- 8.6. A Recovery Response must include any evidence that the applicant wishes the Commissioners to consider in support of their Recovery Response.

## Recovery Decision

- 8.7. In response to a Recovery Response the Commissioners will review the Notice of Intention to Recover to which the Recovery Response relates and send a Recovery Decision.
- 8.8. A Recovery Decision will be sent within two months of the date the Commissioners received the Recovery Response.
- 8.9. A Recovery Decision will state that the Notice of Intention to Recover is:
- 8.9.1. withdrawn;
  - 8.9.2. amended (and particularise the amendments that have been made to it);  
or
  - 8.9.3. upheld.
- 8.10. The Commissioners may request further information from the applicant where such information is reasonably required to enable the Commissioners to determine any of the matters that must be stated in a Recovery Decision.
- 8.11. Further information required under paragraph 8.10 must be so requested by the Commissioners sending a written notice to the applicant stating:
- 8.11.1. the further information requested; and
  - 8.11.2. the date by which the further information must be received by the Commissioners.

## Repayment Demand

- 8.12. Where the Commissioners:
- 8.12.1. do not receive a Recovery Response in response to a Notice of Intention to Recover;
  - 8.12.2. amend a Notice of Intention to Recover under paragraph 8.9.2; or
  - 8.12.3. uphold a Notice of Intention to Recover under paragraph 8.9.3;
- they may send a Repayment Demand.
- 8.13. The applicant must pay to the Commissioners the amount demanded in the Repayment Demand by the date stated therein.



**9. Effect of payment of a Repayment Amount, application of an Adjustment Amounts Set Off and waiver on certain reliefs**

- 9.1. The payment of a Repayment Amount and the application of an Adjustment Amounts Set Off under this Scheme shall not affect:
- 9.1.1. any person's entitlement to benefit from relief available under section 554Z5 of ITEPA 2003 that depended or depends on:
    - 9.1.1.1. the income tax in respect of which Voluntary Restitution was paid or treated as being paid under the settlement agreement having been paid in full for the purposes of section 554Z5(4)(b)(i) of ITEPA 2003; or
    - 9.1.1.2. a person having agreed terms with an officer of Revenue and Customs for the discharge of the income tax in respect of which Voluntary Restitution was paid or treated as being paid under the settlement agreement for the purposes of section 554Z5(4)(b)(ii) of ITEPA 2003; or
  - 9.1.2. any person's entitlement to benefit from relief under paragraph 59(2)(a) of Schedule 2 to Finance Act 2011 that depended or depends on the payment of the Voluntary Restitution to the extent (and only to the extent) that the value of the chargeable step is reduced by an amount reflecting the extent to which, as determined under sub-paragraph (1)(f) of that paragraph, the value represents (or still represents) the earnings mentioned in sub-paragraph (1)(f)(i) of that paragraph.
- 9.2. A waiver given to an applicant under this Scheme shall not affect any person's entitlement to benefit from relief under section 554Z5(4)(b)(ii) of ITEPA 2003 that depended or depends on a person having agreed terms with an officer of Revenue and Customs for the discharge of income tax in respect of which Voluntary Restitution was paid, treated as being paid or due to be paid under the settlement agreement.

## **10. Effect of payment of a Repayment Amount and application of an Adjustment Amounts Set Off on benefits**

10.1. The payment of a Repayment Amount and the application of an Adjustment Amounts Set Off under this Scheme will not have effect in any case so as to:

10.1.1. remove any person's entitlement to a contributory benefit, contribution-based jobseeker's allowance or statutory payment; or

10.1.2. reduce the amount of any such benefit, allowance or payment to which any person has an entitlement.

10.2. The terms used in paragraph 10.1.1 shall have the meanings given to them in the Social Security Contributions and Benefits Act 1992 or the Social Security Contributions and Benefits (Northern Ireland) Act 1992, as applicable.

## **11. Miscellaneous**

### Time periods

11.1. The Commissioners may, at any time, at the request of the applicant or on their own initiative, extend the time periods provided for in paragraphs 3.1.34, 5.3.2, 6.3.2, 6.10, 6.13, 6.18, 6.21.2, 6.23, 6.26, 8.5, 8.8 and 8.11.2.

### Notices

11.2. Anything to be sent to the Commissioners under or in connection with this Scheme must be sent:

11.2.1. by post to HM Revenue & Customs, Counter-Avoidance, S0694, Newcastle NE98 1ZZ;

11.2.2. by post to such other address as the Commissioners may provide for the purpose;

11.2.3. by email to [ca.loancharge@hmrc.gov.uk](mailto:ca.loancharge@hmrc.gov.uk); or

11.2.4. by such other method as the Commissioners may specify.

11.3. Anything to be sent to the applicant under or in connection with this Scheme will be effective if it is sent to the applicant's postal address or email address if and as stated on the application form or, where the applicant has subsequently sent a written notice to the Commissioners stating an additional or alternative postal or email address, to that additional or alternative address.

## Liability

11.4. Irrespective of any repayment or waiver under this Scheme, the Commissioners do not accept liability for any costs or losses howsoever incurred by the applicant directly or indirectly related to the settlement agreement or the application.

22 July 2020