



Corporation tax: accelerated payments and group relief

Who is likely to be affected?

Companies in groups who have claimed or surrendered group relief arising from tax advantages through tax avoidance schemes that fall within the Disclosure of Tax Avoidance Schemes (DOTAS) rules, are counteracted under the General Anti-Abuse Rule (GAAR), or are the subject of a Follower Notice.

General description of the measure

This measure ensures that the accelerated payment legislation in Part 4 of the Finance Act (FA) 2014 operates effectively where the benefit of a loss or other amount is surrendered as group relief.

Policy objective

The accelerated payments legislation widens the circumstances where the disputed tax sits with the Exchequer during a dispute. This measure extends those circumstances so that, taking a group of companies as whole, the disputed tax will sit with the Exchequer during a dispute.

Background to the measure

The accelerated payments legislation was introduced as Part 4 of FA 2014. At Autumn Statement 2014 the Government announced that it would amend the legislation to take account of group relief claims and surrenders.

Detailed proposal

Operative date

This measure will have effect from the date that Finance Bill 2015 receives Royal Assent. It will be applicable to all cases involving group relief where there is an open enquiry or open appeal on or after the day of Royal Assent.

Current law

Part 4 of FA 2014 allows HM Revenue & Customs (HMRC) to issue an Accelerated Payment Notice (APN) to a person where certain criteria are met. The APN requires that person to pay over the amount in dispute, or prevents that person postponing the payment of the amount in dispute.

Proposed revisions

Legislation will be introduced in Finance Bill 2015 to amend Part 4 of FA 2014. Where a company makes a return asserting a tax advantage from chosen arrangements, and then surrenders all or part of that advantage as group relief, the legislation will allow HMRC to issue an APN to the effect that the asserted advantage may not be surrendered while the dispute is in progress.

Summary of impacts

Exchequer impact (£m)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	-	+425	-345	-40	-30	nil
	These figures are set out in Table 2.1 of Autumn Statement 2014 and have been certified by the Office for Budget Responsibility. More details can be found in the policy costings document published alongside Autumn Statement 2014.					
Economic impact	The measure is not expected to have any significant economic impacts.					
Impact on individuals, households and families	This measure does not affect individuals. The measure is not expected to impact on family formation, stability or breakdown.					
Equalities impacts	This measure does not affect individuals and so no impact is anticipated.					
Impact on business including civil society organisations	This measure will have no impact on businesses and civil society organisations who are undertaking normal commercial transactions; it will only impact on the small number of businesses that are using avoidance schemes affected by this measure.					
Operational impact (£m) (HMRC or other)	There will be no significant additional operational impact on HMRC as a result of this measure.					
Other impacts	Other impacts have been considered and none have been identified.					

Monitoring and evaluation

The measure will be kept under review through regular communication with affected taxpayer groups.

Accelerated payments will be monitored through monitoring of disclosures of new avoidance schemes to circumvent the measure, and through regular communication with affected taxpayers and practitioners.

Further advice

If you have any questions about this change, please contact David Edney on 03000 585985 (email: david.edney1@hmrc.gsi.gov.uk).