HMRC - CFM98790 - Procedure: Closure Notice, Correct Group And Period Of Account

TIOPA10/SCH7A/PARAS 47, 49

The interest restriction return enquiry closure procedures are more complex that those for a company tax return enquiry. There are two reasons for this. First, the interest restriction return does not of itself determine tax liabilities. Any changes must flow through to the level of individual companies before the final outcome is determined. Second, there is a wider variety of possible outcomes, because it may be that HMRC concludes that the worldwide group has been incorrectly identified, and that returns or revised interest restriction returns will be required for more than one group.

This section of the guidance deals with the simple case where the group and its period of account were correctly identified in the return under enquiry. Guidance on more complex scenarios is found at CFM98810 and CFM98820.

When the officer of Revenue and Customs considers that the enquiry is completed, he issues a {closure notice}, which informs the reporting company that the enquiry is completed. This will either state that no steps are required to be taken, or will set out the steps the reporting company is required to make (PARA49(2)). The steps that the reporting company is expected to take will normally include submitting one (or more) interest restriction returns.

The closure notice may simply state revised group level numbers, or may also set out how the amounts should be allocated to group members (PARA49(3)).

Closure notices and steps required in more complex scenarios are dealt with at CFM98820 et seq.

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