HMRC - CFM98810 - Procedure: Closure Notices When Return Submitted For Incorrect Period Of Account

TIOPA10/SCH7A/PARAS47, 49

It is possible that an interest restriction return is submitted for an incorrect period of account. Whilst it would be unusual for the period of account of a company to be unclear, it may be that the ultimate parent is incorrectly identified in the return, for example in private equity or privately-owned groups. Shareholding structures can be complex, and it may be that the actual ultimate parent is higher or lower in the ownership chain than originally thought and has a different period of account from the company originally considered to be the ultimate parent. As the ultimate parent will often not be UK tax resident, the UK group companies in the group may nonetheless be correctly stated in the interest restriction return.

Where an officer of Revenue and Customs considers that the period of account was incorrectly stated, he must identify the correct period or periods of account in the closure notice, stating both the beginning and the end of the identified periods - PARAS 47(3), (7); 49(4). The reporting company should be required to amend the return to ensure it is for an appropriate period, and to make further returns as required. The requirements of PARA50 apply to these returns, see CFM98800.

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