HMRC - COM71123 - Closing An Enquiry: Closing An Enquiry: Contract Settlements Helpcard For COTAX Operators

If you are a COTAX operator and have been asked by a caseworker to close an enquiry in a contract settlement case, consider steps 1 - 15 below. The guide is presented as follows.

General guidance

 You must have the COTAX CT Co-ordinator role to carry out all the required actions. The caseworker will give you full instructions on the entries that are needed in the closure notice and the CT chargeable figure that will result. You must not use function RAMA (Record / Amend Assessment) option ‘prepare a closure notice with rev amdt’ where an enquiry is to be concluded by contract settlement. You will not be asked to disturb any assessments or late filing penalties on the APs under enquiry.

If the instructions you receive from the caseworker ask you to issue a closure notice, any assessment or late filing penalties, you think the case is subject to a contract settlement and the instructions do not make it clear that the company or agent has insisted on the issue of a closure notice before the contract settlement is finalised, refer the case back for clarification.

Initial actions

2. Has the caseworker indicated that there is an overpayment on an AP outside the enquiry period?

If yes, go to step 9.

If no, go to step 3.

 Has the caseworker indicated that there is an amount available to set off against the settlement charge?

If yes, go to step 10.

If no, go to step 4.

 Has the caseworker indicated that there is an overpayment on COTAX that exceeds the amount needed to cover the contract settlement charge?

If yes, go to step 11.

If no, go to step 5.

 Has the caseworker indicated that the company or agent insists on the issue of a closure notice before the contract settlement has been finalised?

If yes, go to step 12.

If no, go to step 6.

Top of page

To finalise the enquiry on the IT systems

 The caseworker’s instructions will ask you to close the enquiry on COTAX. Use function MAPS (Maintain AP signals) to enter the date on which the enquiry was closed.

If the enquiry was recorded on the CQI system, go to step 7.

If the enquiry was recorded on the Caseflow system, go to step 8.

If yes, follow the caseworker’s instructions to use function RINT (Repayment Interest Calculation) to calculate the correct repayment interest for inclusion on form CT251 to be sent to the CT Unit in Cumbernauld. COM120100 has guidance on completing the CT251.

If no, go to step 10.

Top of page

Further actions required

10. Where there are amounts available to set off against the settlement charge, follow the caseworker’s instructions and use function REOD (Direct Reallocation Out of COTAX) to transfer the overpayment on the COTAX record to OAS so it can be reallocated to the contract settlement charge held by the Miscellaneous Charges Unit and tell the caseworker the OAS number so they can complete the CT251.

11. Where an overpayment on COTAX exceeds the amount needed to cover the contract settlement charge, the caseworker’s instructions will ask you to:

reallocate the necessary amount using function REOD

repay the balance using function DIRR (Direct Repayment) or

reallocate the balance against other liabilities using function REWD (Direct Reallocation Within COTAX).

Tell the caseworker the OAS number from the REOD reallocation so they can complete the CT251.

12. Where the company or agent insists on the issue of a closure notice before the contract settlement has been finalised, the instructions you receive from the caseworker will make it clear that a closure notice is to be issued even though it is a contract settlement case. Use function RAMA (Record / Amend Assessment) option ‘closure notice with rev amdt’.

13. Amend the figures indicated by the caseworker.

14. Check that the amount of CT chargeable agrees with the figure the caseworker has given you. If it does not agree, use the button to produce a printout of the screen and refer it to the caseworker for further guidance. Use the button to abandon RAMA until you receive fresh instructions.

15. Issue the assessment.

Previous page

Next page