HMRC - COM71141 - Closing An Enquiry: Enquiries Under Schedule 1A TMA 1970 (Action Guide)

To close an enquiry under Schedule 1A into a claim or election not made in a return, consider steps 1 - 5 below. The guide is presented as follows.

Enquiry completion procedures under Sch 1A TMA 1970 after FA 2001

 If you are closing an enquiry that was opened on or before 11 May 2001, write to the company to tell them about the changes to the law before you close the enquiry.

Sch 1A enquiries, COTAX and Para 24 Sch 18 FA 98 enquiries

COTAX does not provide support for Sch 1A enquiries into claims and elections not made in a return. You must open, conduct and close those enquiries outside COTAX.

you must handle the Sch 1A enquiry separately from the enquiry into the return

you cannot record the Sch 1A claim on COTAX while the ‘enquiry in progress’ signal is set for the Para 24 Sch 18 enquiry

when you close your Para 24 Sch 18 enquiry, the closure notice should exclude the Sch 1A claim as it is not a deferred amendment to the return under Para 31(3) Sch 18

you must record the taxpayer or revenue amendment to finalise the Para 24 Sch 18 enquiry before you can update COTAX with the result of the Sch 1A enquiry. See steps 5 and 6 below.

Closing the Sch 1A enquiry

 Issue the closure notice for the Sch 1A enquiry manually. Do not attempt to issue the closure notice with COTAX. Under Para 7(1) Sch 1A TMA, your manual closure notice:

informs the claimant that the enquiry has come to an end

sets out your conclusions as to whether the claim should be refused or allowed in whole or part

makes any amendment to the amount of the claim.

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Processing the claim in COTAX

When you have issued the manual Sch 1A enquiry closure notice, you need to update COTAX with the result, subject to step 3 above.

 Use function RAMA (Record / Amend Assessment) ‘process a claim’ option to amend the recorded claim or record the amended claim on COTAX and suppress the assessing output as the wording of the output issued by COTAX is not appropriate to settling a Sch 1A enquiry.

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