HMRC - CTM93330 - CTSA: Correction Of Return By Revenue

For CTSA accounting periods (ending on or after 1 July 1999) you can correct any obvious errors or omissions in a company tax return, (FA98/SCH18/PARA16).

You cannot:

make a ‘correction’ more than nine months after the day on which the company delivers the return,

correct a return amended by a company more than nine months after the day on which it made the amendment.

You must give notice of a correction made under this paragraph to the company concerned. To find out how to do this in COTAX refer to the On-line Company Tax Manual COM in the ‘Assessing’ business area.

The company can reject the correction by amending its return, if it is within the time allowed by FA98/SCH18/PARA15 (see CTM93300). If the period allowed for an amendment to the return has expired, the company can give notice rejecting the correction.

It must do so:

by notice in writing,

within three months of the date when you issued the correction notice.

The obvious errors or omissions that you can correct in this way include errors of principle as well as arithmetical errors.

The process of correction does not involve any judgement as to the accuracy of the figures in the return. The process is only for correcting an obvious error or omission, such as:

an incorrect calculation,

or

a transposition error based on the information supplied in the return.

It also covers obvious errors of principle, ‘obvious’ means obvious to you, but bear in mind the likely reception of the correction by the company. A matter that is obvious to you may not be obvious to, in particular, an unrepresented company. The correction may call for more by way of explanation than it is possible to include on the computer output. In such cases a telephone call or a letter may help to ensure that the correction is appropriately received.

You will deal with any question relating to the accuracy of the information contained in the return by opening an ‘enquiry’ into it. (See the Enquiry Manual generally for guidance on making enquiries into company tax returns.)

A correction under Paragraph 16 is of no effect if the company:

amends its return so as to reject the correction,

or, (if it is not in time to amend the return)

gives notice rejecting the correction within three months from the date of issue of the correction notice.

The company must give a notice rejecting a correction:

in writing,

to the officer of the Board who gave the notice of correction.

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