HMRC - IPT08461 - Tax Points

The tax point under the special accounting scheme is the date as at which the insurer writes the premium. You will need to establish and agree with the insurer the point at which this occurs. You should obtain written confirmation of the agreed tax point and record the details in the insurer’s folder.

An insurer’s agreed tax point under the special accounting scheme is common to all premiums that the insurer writes. It is not acceptable to agree different tax points for different types of insurance written by the same insurer.

You should establish that the insurer is complying with the tax point requirements which are set out in IPT07620. IPT07610 also contains advice on how you should deal with any insurer who has not complied with those requirements.

You can use the guidance in IPT07650 as the basis for a letter to an insurer who is not complying with the tax point guidelines under the special accounting scheme. You should seek to obtain an undertaking from the insurer that he will, in future, comply with our expectations.

Any case where an insurer is unwilling to take steps to achieve effective compliance with our tax point expectations under the special accounting scheme or the cash receipts method should be reported to the Financial Services Team (see IPT08100). Any report under this paragraph should give details of:

the insurer (name, address, nature and size of business);

the scale of the problem (details of the delays in accounting for tax, the amount of revenue at stake);

attempts made locally to persuade the insurer to comply;

any reasons offered by the insurer for their failure (an attempt should always be MADE TO OBTAIN THESE IN WRITING); and

your conclusions and recommendations.

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