HMRC - IPT09135 - Assessments: Officer's Assessments

Officers can, subject to the policy on when and when not to assess, make assessments where an insurer has declared the wrong liability to IPT or has made an error in respect of a claim to credit. Remember, there can be no officer’s assessment unless the insurer has made a return or the Department has issued a central assessment.

It is also important to remember that both over and underdeclarations should be treated on an equitable basis. The objective of our assessment policy is to achieve a proper result in terms of the right tax at the right time. Where an insurer has made both over and underdeclarations, the assessment should give the insurer credit for the errors in their favour. Officers should not, in such cases, assess only for underdeclarations and advise insurers to deal with overdeclarations by voluntary disclosure action.

At the earliest opportunity you should formally notify an insurer in writing that you have made an assessment, and provide any necessary supporting schedule or schedules. The covering letter should make clear the statutory basis of the assessment. For example, if an insurer has failed to account for tax on the premiums relating to a UK-registered private yacht, the assessment should explain why the marine exemption (paragraph 4 of Schedule 7A to the Finance Act 1994) does not apply, and why tax is therefore due.

The procedures for the issue of an officer’s assessment are dealt with in IPT10425.

The procedures for the amendment of an officer’s assessment are dealt with in IPT10450.

The procedures for the withdrawal of an officer’s assessment are dealt with in IPT10475.

Best judgment and evidence of facts

The VAT guidance of best judgment and evidence of facts applies equally to IPT. It can be found in VAEC1000.

Previous page

Next page