HMRC - OT04630 - Decisions And Allowance Of Claims

OTA75\SCH5-8, OTA75\S2(9)

General

OTA75\SCH5\PARA3 requires that the Responsible Person (or in the case of Schedules 6 and 7 the participator) be informed in writing of the amount of

expenditure allowed on the claim;

the expenditure allowed as qualifying for supplement (see OT12050) and

on Schedule 5 claims the shares of the aggregate allowable expenditure divided to each participator.

Decisions on claims under Schedule 5 are notified to the Responsible Person on a computer generated form. This distinguishes non-qualifying expenditure allowed; the expenditure allowed as qualifying for supplement and at what rates; the total supplement allowed; and the allocation of those amounts to participators. In the latter respect the notice is made subject to the provisions of FA81\S111 (see OT12075). Details of disallowances and any amounts not yet the subject of a decision are also shown.

Decisions on claims under Schedule 6 are notified to the participator on a computer generated form which follows the Schedule 5 form of decision, as appropriate.

Decisions on claims under Schedule 7 are notified on a similar computer-generated form.

It is important that expenditure claims receive prompt attention by the Inspector responsible for their examination in order that expenditure not in dispute can be determined in time for inclusion in the next PRT assessment (see OT04390). Wherever possible, decisions should be made in time for necessary appeals and elections to be made before the issue of the next assessment. Any expenditure which is the subject of decision after that assessment is made will be deductible in the next assessment to be made whether or not the earlier assessment is under appeal, OTA75\S2(9). It is also vitally important that all decisions affecting supplement are, as far as practicable, resolved before a participator begins to pay PRT under safeguard but Inspectors should not issue formal refusals of claims to supplement just to protect the participator’s safeguard position where the participator has failed to provide information necessary to reach a final conclusion.

Decisions and Assessments on same day

To prevent disputes arising as to whether a decision on a claim preceded or followed the making of an assessment, decisions and assessments will not be made on the same day. Where, exceptionally, this cannot be avoided, the Inspector will record the times when they are made.

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