HMRC - STSM142120 - Stamp Duty And SDRT Administration: SDRT Administration: Post-Payment Checks

Background

HMRC Stamp Duty Reserve Tax (SDRT) Processing makes a substantial volume of repayments each month. These repayments are made using a system called Auto verification (Auto V). Auto V checks that the transaction has been reported and payments have been made to HMRC. Auto V also checks to make sure the request for repayment is not out of time.

The vast majority of these reclaims are due to some kind of input or IT error and are valid. Compliance activity has shown that not all the repayments are valid and substantial sums have been recovered following HMRC intervention.

Risk

HMRC Stamp Taxes operates a “process now, check later” regime. There is a risk that repayments could be made when the reclaim was not valid. Auto V carries out basic checks but does not check the legislative position or test the validity of the reclaims. There is a need to validate these reclaims to address this risk. Enquiries into repayments are known as Post Payment Checks (PPC). Claimants should retain supporting documentation in case of an enquiry.

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