HMRC - TOBPMMLS4500 - Outstanding Departmental Debts

You should carry out checks to ascertain whether the business or key persons have any outstanding, unmanaged HMRC debts or a have history of poor payment.

The granting of a licence should not normally be refused or revoked where there are agreed arrangements over any payment that may be due. You would also need to consider the proportionality of the debt. The size of debt and general standing of the business should be considered;

For example, £50,000 due from a small business may be more significant than the same amount due from a multi-national company. You would also need to consider how the debt arose, for example, if it was due to an excise irregularity you should scrutinise the nature and seriousness of the irregularity to assess how it impacts their fit and proper status.In other cases, the debt may be contested by the business and be the subject of a review/tribunal. Before a tribunal will hear a case, the business will be required to either pay the debt, have adequate security in place to cover the debt, or be granted a certificate of hardship in place of the debt. (This content has been withheld because of exemptions in the Freedom of Information Act 2000)

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