

WHAT'S NEW?

DOTAS Schemes List: Anticipating Accelerated Payment Notices

HMRC has published the list of numbers of DOTAS schemes which they intend to target for purposes of the new accelerated payment regime.

The list

The list is available at

<https://www.gov.uk/government/publications/tax-avoidance-schemes-on-which-accelerated-payments-may-be-charged-by-hmrc>

What to do if you are affected?

If your arrangement is on the list our **THREE-STEP FLOWCHART** overleaf offers a practical guide to your options if you receive an accelerated payment notice relating to a DOTAS scheme.

Our previous briefing note [Pay Now, Argue Later](#) describes the new payment on account regime for certain tax disputes, including those concerning a DOTAS scheme. This regime came into force on 17 July 2014 under the Finance Act 2014 and will potentially have significant consequences for users of DOTAS schemes that are subject to an open tax enquiry or a tax appeal.

Contact Us

Liesl Fichardt

Partner, Head of Tax Dispute Resolution

T: +44 20 7006 2044

liesl.fichardt@cliffordchance.com

Nicola Hemsley

Associate

T: +44 20 7006 4215

nicola.hemsley@cliffordchance.com

If you receive an accelerated payment notice (APN)...

STEP 1: CHECK AND ASSESS

Are ALL 3 APN conditions satisfied?

1. there is an ongoing enquiry/appeal involving tax arrangements giving rise to a tax advantage
2. AND the arrangements are "DOTAS arrangements" to which HMRC has allocated a reference number, or which are substantially the same as arrangements to which HMRC has allocated a reference number
3. AND the amount specified as payable accurately reflects the amount of tax in dispute

NO

YES

STEP 2: CONSIDER MAKING REPRESENTATIONS

- Send written representations to HMRC objecting to the APN within 90 days of the date of the APN
- HMRC can:

1. withdraw APN

2. OR confirm APN

ENQUIRY / APPEAL CONTINUES

Your tax enquiry/appeal will continue as normal

STEP 3: CONSIDER ACTION

- No right of appeal
- Possible action:

1. pay the specified amount

2. OR seek judicial review of APN

3. OR do not pay the specified amount

PAYMENT

- Pay the specified amount within 90 days of the date of the APN/30 days of confirmation of the APN (whichever is later)
- Treated as a payment on account so could be enforced as a debt but should be repaid with interest if appeal is ultimately successful

JUDICIAL REVIEW

Ask for APN to be stayed pending determination of judicial review

NON-PAYMENT – FACE A PENALTY

- You may face a penalty of 5% (with a further 5% after 5 months and a further 5% after 11 months) of the specified amount
- Possible action:

1. pay penalty

2. OR appeal penalty

PAY PENALTY

If you pay the penalty but continue not to pay the specified amount, you will be liable for a further penalty of 5% after 5 months and a further penalty of 5% after 11 months

APPEAL PENALTY

- Appeal penalty itself or amount of penalty within 30 days of notification of the penalty
- Penalty does not need to be paid until penalty appeal determined
- Ask for APN and penalty appeal to be stayed until the tax enquiry/appeal is resolved

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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