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Issued by
CORPORATION TAX UNIT
ACCOUNTS OFFICE
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on behalf of HM Revenue & Customs.

Agent ID: XXXXXX

Date of Issue: 99 XXX 9999

Change to the period during which HMRC can enquire into a company tax return

We're writing to you about this change as our records show that you are an agent who has, or has had, corporation tax clients.

Legislation in Finance Act 2007 changed the period during which HMRC can give notice of enquiry into a company tax return (referred to below as the 'enquiry window'). The change applies to returns for accounting periods ending after 31 March 2008. This implements a recommendation made by Lord Carter of Coles in his March 2006 'Review of HMRC Online Services' and is designed to give earlier certainty to companies that file early.

For accounting periods ending on or before 31 March 2008, the enquiry window for returns filed on time closes 12 months from the statutory filing date.

For accounting periods ending after 31 March 2008, the enquiry window for most returns delivered by the filing date will close 12 months from the day on which HMRC receives the return. For example, if a return for an accounting period ended 30 April 2008 is received by HMRC on 26 November 2008 notice of enquiry will not be given after 26 November 2009, 12 months after delivery.

Linking the end of the enquiry window to the date on which a particular return is submitted provides certainty sooner for companies that file early, bringing forward the date at which they can be sure their return will not be subject to enquiry.

The change applies to the majority of companies, including those in small groups as defined in sections 383(2) and 474(1) of the Companies Act 2006. There is no change for companies in groups that are not 'small' and the enquiry window for such companies is still linked to the statutory filing deadline.

Companies in groups that are not 'small' will have to identify themselves on their company tax return. We have provided a new box on the front page of the CT600 return form and a similar option for returns delivered electronically.

For all companies that file late, there is no change. The enquiry window still closes on 31 January, 30 April, 31 July or 31 October next following the first anniversary of the day on which the return is delivered.

You can find the legislation at Paragraph 24 Schedule 18 Finance Act 1998 as amended by Section 96(3),(4)&(6) Finance Act 2007.

Section 96 Finance Act 2007 also introduced a similar change for Income Tax Self Assessment returns. This will apply to returns which relate to the tax year 2007-08 or a later tax year.

If you need further information, please go to our website at www.hmrc.gov.uk.