

### Transfer of Income Tax (PAYE) and Class 1 National Insurance Contributions of Managed Service Companies

#### APPEALS

An appeal against a Transfer Notice is to the Special Commissioners.

The grounds for appeal against a Transfer Notice are as follows:

**Available to persons within section 688A(2) (a), (b), (c) or (d):**

- The relevant debt (or part of the relevant debt) is not due from the Managed Service Company to HMRC
- The Specified Amount does not relate to a company which is a Managed Service Company
- The Specified Amount is not irrecoverable from the Managed Service Company within a reasonable period
- The transferee is not a person within section 688A(2), Part 11, ITEPA
- The transferee was not a person within section 688A(2), Part 11, ITEPA during any part of the tax periods to which the Specified Amount relates.
- The transferee was not a person within section 688A(2), Part 11, ITEPA during some part of the tax periods (i.e. for only part of the tax period) to which the Specified Amount relates
- The Transfer Notice was not issued within the statutory time limits
- The Transfer Notice does not comply with the statutory requirements

**Available to persons within section 688A(2)(c) or (d) associated with (c) only (in addition to the above):**

- It is not impracticable to recover the debt from a person in section 688A(2)(a), (b) or (d) associated with (b)
- The Specified Amount (or the Lower Amount) does not have regard to the degree and extent to which the person encouraged or was actively involved in the provision by the Managed Service Company of the services of the worker.