**INTM489884 - Outline of the Diverted Profits Tax process**

Company must notify it is potentially within the scope of DPT within 3 months of the end of the accounting period

In a s86 case HMRC may issue a preliminary notice of chargeability within 2 years of the end of the accounting period (4 years if no notification)

If the company does not make the notification it may be liable to a penalty

The company has 30 days from issue of the preliminary notice to make representations

Representation can be made, and HMRC must consider only on certain factual matters and the threshold conditions, but not at this stage on other matters (including transfer pricing)

Having considered the representations, HMRC must either issue a charging notice, or confirm that no charging notice will be issued, within 30 days from the end of the representation period

DPT must be paid within 30 days from the issue of the charging notice and there is no right to postpone the tax

There is a 15-month period beginning immediately after the date by which the tax must paid for HMRC to review the charging notice and during which HMRC may issue a supplementary charging notice or appropriate amending notices increasing or reducing the DPT. Any overpaid DPT must be repaid with interest

The company has 30 days from the end of the review period to appeal in writing against a charging notice or supplementary charging notice or the DPT becomes final

Charge to tax includes an interest element on the DPT from 6 months after the end of the accounting period to the date the notice is issued (“true up” interest)

In a s80 or s81 case HMRC may issue a preliminary notice within 6 months of the last day the company can amend their tax return (4 years after the end of the accounting period if no notification)