

Working with insolvency practitioners

HM Revenue & Customs (HMRC) Voluntary Arrangements Service (VAS) contributes to the support of businesses in temporary financial difficulties.

Conditions for supporting a proposal

We consider voluntary arrangements on an individual basis, and will vote to support proposals where:

- debtors are honest in their financial disclosure
- an optimised and achievable offer is made to creditors
- provision is made for payment of all future debts on time
- they treat all creditors within the same class equally
- there are no exceptional reasons for rejection.

However, we will not support debtors (individual or corporate) who do not allay our concerns about their proposals.

We aim to respond to all voluntary arrangement proposals within seven days of receipt.

Working with you

We depend on you to deliver the most appropriate solution and confirm to creditors:

- the debtor's true position with regard to assets and liabilities
- that the open market value of assets is not materially different from the proposal
- that values being placed upon liabilities are not materially different from the proposal
- that the proposal has a real prospect of working.

Where these points are not clear we will seek explanations from you. We will also:

- discuss differences in our knowledge of the financial position with that in the proposal
- review projected income and expenditure
- require that provision is made for payment of all statutory liabilities as they fall due within the lifetime of the arrangement.

We will discuss with you as the nominee or with the debtor such issues as:

- historical information already disclosed in the proposal
- financial information that may have been excluded
- any other confidential information that influences our decision.

Helping us to respond more quickly

Send proposals direct to:

HMRC
Voluntary Arrangements Service
Durrington Bridge House
Barrington Road
Worthing
West Sussex
BN12 4SE

Tell us:

- NI number(s)
- PAYE / tax reference(s)
- VAT registration number.

Make sure proposals:

- satisfy the substance and spirit of our acceptance criteria
- are supported by detailed and reliable financial information
- are clear and unambiguous as to terms, roles and obligations.

Discussions with creditors

We reserve the right to discuss the content of a proposal and supporting documentation:

- with any listed creditor, or
- any creditor confirmed by the nominee.

Exchanging ideas

We hold regular forums in London, Bristol, Manchester and Leeds/Bradford where we can discuss how we can improve our respective services.

For more information

Phone
01903 701 077

Email
vas@hmrc.gsi.gov.uk

DX address

DX 90957 Worthing 3

Modifying a voluntary arrangement

If the debtor's proposal is inadequate we will ask for the offer to be improved.

We expect the debtor to change the proposal voluntarily.

If the offer is not improved we will propose modifications.

We may also request technical amendments to the proposal that will not affect the debtor's obligations. We will discuss these with you as the nominee.

Voting against the commercial offer

We will not support a commercial offer unless there is full and honest financial disclosure. We will look for:

- a detailed business cash flow forecast
- reliable or professional valuations
- a statement of business assets and liabilities (including all taxes).

If the debtor is an individual we will also need:

- a statement of personal assets and liabilities
- a statement of the debtor's current personal and household income and expenditure and a projection for the period of the proposed arrangement.

If we believe a better yield will be available without a voluntary arrangement we will discuss this with you.

If an agreement cannot be reached we will vote against the proposal.

Declining a voluntary arrangement

Occasionally exceptional reasons will cause us to decline proposals. We will inform you of these.

For example:

- deliberate default or evasion of statutory liabilities or past association with contrived insolvency
- operating a policy of withholding payment of Crown money
- any proposal that requires sale of HMRC debt or does not provide cash
- failure to meet any obligations under a prior voluntary arrangement
- exclusion of creditors who are entitled to receive the same treatment as all others within their class
- a purchaser assuming responsibility for payment of some of the debtor's debts in consideration for the purchase of the debtor's assets
- any proposal by any member of any organisation that requires debts owed to its members, to be paid in full, whether inside or outside of the arrangement or before or after the completion of the arrangement when all other unsecured creditors will become bound to accept a compromise of their debt. Here 'members' includes any prescribed associate(s) or other creditor(s) specified by the organisation.

These notes describe in general terms what is likely to happen.

HM Revenue & Customs commitment

We aim to provide a high quality service with guidance that is simple, clear and accurate.

We will:

- be professional and helpful
- act with integrity and fairness, and
- treat your affairs in strict confidence within the law.

We aim to handle your affairs promptly and accurately so that you receive or pay only the right amount due.

Putting things right

If you are not satisfied with our service, please let the person dealing with your affairs know what is wrong. We will work as quickly as possible to put things right and settle your complaint.

If you are still unhappy, ask for your complaint to be referred to the Complaints Manager.

Customers with particular needs

We offer a range of facilities for customers with particular needs, including:

- wheelchair access to nearly all HMRC Enquiry Centres
- help with filling in forms
- for people with hearing difficulties
 - BT Typetalk
 - induction loops.

We can also arrange additional support, such as:

- home visits, if you have limited mobility or caring responsibilities and cannot get to one of our Enquiry Centres
- services of an interpreter
- sign language interpretation
- leaflets in large print, Braille and audio.

For complete details please go to www.hmrc.gov.uk/enq or contact us. You will find us in The Phone Book under 'HM Revenue & Customs' or 'Inland Revenue'.