

LIFE INSURANCE CHARGEABLE EVENT CERTIFICATES

Magnetic Media Specification for Chargeable Event Certificates for gains occurring on or after 6 April 2002

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1 Introduction

Insurers are required to deliver certificates under section 552 ICTA 1988 (as inserted by Schedule 28 FA 2001).

The purpose of this document is to describe the standard format in which insurers should deliver these Chargeable Event Certificates to HMRC for chargeable events occurring on or after 6 April 2002.

All statutory references are to the Income Tax (Trading and Other Income) Act 2005 unless otherwise stated. Further guidance on the type of events can be found in the Insurance Policyholder Taxation Manual (IPTM) located at www.hmrc.gov.uk/manuals/iptm on the HMRC website.

1.1 Reportable Requirements

Insurers must supply details of all chargeable event gains where the value of the gain, aggregated where relevant with all gains connected with it, is more than half the “basic rate limit” for the relevant year of assessment. The “basic rate limit” is defined in subsections 1(2) (b) and 1(3) ICTA 1988.

Insurers must also supply details to HMRC for all whole assignments for money or money’s worth (whatever the value of the gain), unless they are satisfied that no gain is to be treated as arising by reason of the assignment.

For gains whose value, when aggregated with connected gains, if any, exceeds half the basic rate limit, Insurers may report them either on paper in the prescribed form or in a form that meets the Standard Specification.

For yearly gains on Personal Portfolio Bonds (as defined section 515) , the reporting rules apply to gains that are treated as arising on or after 6 April 2002.

A gain is connected with another gain in accordance with section 552(8) if:

- the insurer and policyholder are the same
- both gains are attributable to the same year of assessment or, for corporate policyholders, the same financial year
- the terms of the policies or contracts are the same apart from any difference in their maturity dates and
- the policies or contracts were made on the same date.

For policyholders that are individuals or trustees, the relevant year of assessment for a gain treated as arising by virtue of section 498 is the year of assessment which includes the end of the ‘year’ (as defined section 499) in which the part surrender or part assignment took place. In any other case, the relevant year of assessment is the year of assessment in which the chargeable event occurred or, for yearly gains on Personal Portfolio Bonds, in which the gain is treated as arising.

For policyholders that are companies and where the event occurred prior to the accounting period ending 31 March 2008 ONLY, the relevant year of assessment is the year of

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assessment that includes the end of the financial year which includes the end of the 'year' (as defined in section 499) in which the part surrender or part assignment took place. In any other case, it is the year of assessment that includes the end of the financial year in which the chargeable event occurred or, for yearly gains on Personal Portfolio Bonds, in which the gain is treated as arising.

An insurer may also deliver certificates to HMRC for all gains treated as arising on the happening of chargeable events on or after 6 April 2002 (or the yearly gain on a PPB treated as arising on or after that date), whatever their amount, in a form that meets the Standard Specification (i.e. not on paper)

Insurers are required to supply the following information for the appropriate policyholder:

- policy number
- title
- forename(s)
- surname
- full address including postcode
- category of chargeable event
- date of event
- number of years
- number of policyholders
- whether income tax treated as paid on the gain
- insurer name and ID
- currency used to complete the certificate

Where the event is a chargeable event by virtue of section 498

- the date in which the 'year' (as defined section 499) in which the event took place ends

Where the event is anything other than a whole assignment

- the amount of the gain
- the amount of income tax treated as paid

Where the event is a whole assignment for money or money's worth

- amount of relevant capital payments
- amount of premiums or consideration
- value of parts previously assigned
- amount of total previous gains
- capital element paid on account of annuity

All monetary amounts should be reported by insurers in whole pounds. For example £1000.45 could be reported as 1000 or 1001 depending whether it is to the advantage of the individual taxpayer to round up or down.

1.2 Insurers unable to meet Standard Specification

If an insurer is unable to meet the Standard Specification then submission of Chargeable Event Certificate data on magnetic media will not be accepted.

1.3 Time Limit for delivery of Certificates

Insurers are required to deliver Chargeable Event Certificates to HMRC before the end of the relevant three month period. The relevant period is whichever of the following periods ends the latest:

- the period of three months following the end of the year of assessment in which the event happened or, if the policyholder is a company, the period of three months following the end of the financial year in which the event happened.
- if the event is a surrender or assignment of a part that is a chargeable event by virtue of section 498, the period of three months following the end of the year (as defined in section 499) in which the event happened.
- if the event is a death or an assignment in whole or in part, the strict position under section 552(7)(c) ICTA 88 is that where an insurer receives written notification of a death or assignment it must then report the relevant chargeable event details to HMRC within 3 months of receiving this notification. Where this notification is received outside of the tax year in which the date of event occurs this can cause administrative difficulties for insurers who then need to submit several additional batches of certificates, either on paper or magnetic media, to HMRC during the year in order to meet the time limits.

These difficulties can also apply where there is an event giving rise to a gain which only has to be reported to HMRC owing to the existence of a connected gain arising by virtue of a death or assignment. The time limit for reporting the former gain would be the same as that for reporting the connected gain that first alerts the insurer to the fact that the aggregate of connected gains exceeds the half basic rate threshold (i.e. three months after the insurer receives written notification of the death or assignment).

With the aim of encouraging insurers to submit information on an annual basis, where an insurer reports chargeable event details on a death or assignment to HMRC within 3 months of the end of the tax year in which the insurer received written notification of the event, HMRC will now accept this as meeting the reporting requirement. This time limit will also apply to certificates issued in the exceptional circumstances described in section 552(7)(d), where the issue of a certificate is only required because of the happening of another event. Then the insurer may report details to HMRC within 3 months of the end of the tax year in which it receives notification of that other event. Provided an insurer has issued the certificate to HMRC within this period, HMRC will not seek a penalty even though the certificate may not have been issued in strict accordance with the statutory time limit in section 552(7)(c).

Example 1

There is a part-surrender on 1 October 2006 and the policy year ends on 31 May 2007. The 1st bullet applies. The event is deemed to occur at the end of the policy 'year' i.e. on 31 May 2007, which falls in the year of assessment (or 'Tax Year') ending on 5 April 2008. The insurer would then have until 5 July 2008 to report the gain to HMRC.

Example 2

There is a part-assignment on 1 September 2006 giving rise to a gain and the policy year ends on 30 April 2007. Then, the insurer does not need to report the gain to HMRC until 5 July 2008. The 2nd bullet would apply and the Tax Year, in which the 'year' in which the event is treated as happening ends, is 2007-08.

Example 3

Where a death on 1 March 2006 was reported to the insurer on 1 September 2006 the 3rd bullet above would apply. The insurer would therefore have until 5 July 2007 to report the gain to HMRC even though the Tax Year in which the event happened is 2005-06.

Continuing this example, if the gain on the death was only £10,000, but there was also a £10,000 gain on a part assignment in Tax Year 2005-06, the 3rd bullet would apply and the insurer would have until the same date – 5 July 2007 – to report to HMRC not only the gain on death but also the gain on the part assignment.

1.4 Submission of Returns

When you are ready to submit your reports they should be sent to CNI at the address detailed at Appendix F

PLEASE NOTE RETURNS SHOULD NOT BE SENT TO CAR AUDIT

Report media will be destroyed after processing .

1.4.1 Live submissions

These should be sent to CNI at the address detailed in Appendix F. Please note that the Submissions must be accompanied by the correct Submission Document.

Reports should be submitted on time and well packaged.

HMRC strongly recommends that reports are sent securely by means of recorded delivery or so that they can be tracked in the case of delivery failure.

Please ensure that all media is clearly labelled or marked to identify the data source.

1.4.2 Test Files

HMRC will accept test files from insurers to check that reports meet the stated specifications. A sample of fictitious data only should be submitted on hard media for testing. We are unable to accept any data sent via email or via the internet. The testing will not confirm the reliability of the data. Tests on accuracy and completeness of data may be undertaken following your final submission. Test tapes/discs should be suitably labelled and accompanied by the appropriate Submission document (clearly labelled TEST), both of which should be sent to Centre for National Information (CNI) at the address detailed at Appendix F. A Generic Submission Document can be found using the following link. It is important that if this form is used it is fully and correctly completed.

<http://www.hmrc.gov.uk/s17-s18guidance/return-submission.pdf>

2 Glossary

2.1 Insurer

The life insurer resident, or with a branch, in the United Kingdom who will be responsible for the management of the process for delivering batches of certificates. This is normally the body by or with whom the policy or contract was issued, entered into or effected. But where the obligations of the body that issued, entered into or effected the policy or contract have been transferred to another insurer to whom there has been a transfer of the whole or any part of a business, the insurer responsible for delivering batches of certificates in respect of chargeable events arising after date of the transfer, or in the case of death or assignment first notified after the date of the transfer, will be the transferee.

2.2 Report of Chargeable Event Certificates

A report of Chargeable Event Certificates will consist of one or more sub-reports.

2.3 Sub-Report of Chargeable Event Certificates

Chargeable event certificates will be provided to HMRC by the insurer in one or more sub-reports. All references are automatically opened with the default sub report number 01. In some cases additional sub-reports may be required where an insurer needs to divide the batches of certificates:

IF YOU REQUIRE AN ADDITIONAL SUB REPORT NUMBER THIS MUST BE AGREED WITH HMRC BY E-MAILING YOUR REQUIREMENTS TO cni.firm@hmrc.gsi.gov.uk

Typical reasons for requiring additional sub report numbers are:-

- the insurer may be supplying the batch of certificates either on different media or from different systems; or
- the insurer may have a regional system and is unable to collate this information onto one report. The sub-report is identified by the '/99' suffix to the insurer reference and relates to a specific insurer system/region/media combination.

An insurer may be notified of a death or assignment of the whole or a part of the policy more than three months after the end of the Tax Year in which the death or assignment occurred. In such circumstances, it will clearly not be possible for the insurer to report the gain arising on the death or assignment at the same time as it reports the other gains for the Tax Year in which the death or assignment occurred. The insurer should keep reports of such gains separate from reports of gains arising in a later Tax Year i.e. on a separate disc, CD-Rom or tape etc. If an insurer decides to report these gains on magnetic media rather than on paper, it should treat the report as a supplementary sub-report for the year to which the gains relate using the appropriate sequential batch number.

2.4 Batches of Chargeable Event Certificates

There is a limit of one Gbyte of data that can be read and processed at a time. For this reason where a sub-report exceeds this limit, insurers are required to divide their sub-report into a number of reproducible batches.

Each Chargeable Event sub-report consists of one or more batches of up to one Gbyte each. A sub-report which is greater than one Gbyte is required to be split into batches. A sub-report which is less than one Gbyte may be submitted in one batch. Batches are sequentially numbered (within each sub-report) to enable the batch to be re-produced and duplicate batches avoided. The batches can be provided at any time (at the insurers discretion) within the legislatively defined time frame.

2.5 Acceptable Media

Advice on what media is accepted by HMRC can be found at Appendix A.

2.6 Encryption

Advice on Security and Encryption can be found at Appendix B

2.7 Header Formats

File headers must not be provided for CDs, DVDs or memory sticks.

2.8 Allowable Character Sets

Reports can be accepted in either upper or lower case characters. All data must be enclosed in ASCII or EBCDIC character sets. Advice on Allowable Character Sets can be found at Appendix C.

2.9 Structured Names

This refers to the holding of names in a structured format i.e. the title, initials or forename(s) and surname components are held separately in named fields.

Example:

Policyholder Title:	“Mr“
Policyholder Forenames/Initials:	“FRANK A“
Policyholder Surname:	“BLOGGS“

2.10 Unstructured Names

This refers to the holding of names in an unstructured format i.e. all of the name details are presented together in a single free text field.

Example:

Policyholder Name:	“Mr FRANK A BLOGGS”
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3 Report Format

3.1 Record Types

Four record types are required within each batch making up the Chargeable Event report:

- TYPE 1 identifies the insurer (or branch) delivering the certificates. It also asks you to define the length of some of the fields in the TYPE 2 and TYPE 3 records.
- TYPE 2 identifies the financial details for each chargeable event gain being reported.
- TYPE 3 identifies the personal details of the policyholders to each reported event.
- TYPE 4 gives the count of all the TYPE 2 records (chargeable events).

3.2 TYPE 1 Record – Insurer Information

Each batch must start with a TYPE 1 record that defines the parameters for the batch, including the details of the insurer submitting the batch of certificates.

A batch may contain one or more TYPE 1 records. If the insurer is “branch-based” then several TYPE 1 records may be supplied within one batch. If the insurer is not “branch-based” then there will only be one TYPE 1 record supplied within each Chargeable Event batch.

The TYPE 1 record contains dynamic field definitions used to define the length of character data items within the TYPE 2 and TYPE 3 records which follow to cater for the differing field sizes and formats that may be received from different insurers. A single definition is permitted for each field which will apply to all instances of the Data Item within the TYPE 2 and 3 records following the TYPE 1 record.

Example:

If five Address Lines of 20 characters have been defined for the policyholder information within the TYPE 1 record, wherever an address is defined within the TYPE 3 record a field of 100 characters will be expected and will be interpreted as consisting of five lines of 20 characters. Any addresses/lines which are shorter than the defined length will be padded out to the defined size with space characters.

Where a TYPE 2 or TYPE 3 record field is defined with a length of 0 (zero) in the TYPE 1 record, the field does not actually appear in the reported record.

In the remainder of this document, fields which are defined dynamically, that is, defined according to your own requirements and needs are specified as having a format of CHAR X.

3.3 TYPE 2 Record – Chargeable Event Gain Information

One or more TYPE 2 records will follow each TYPE 1 record. This record will contain details of the chargeable event gain.

3.4 TYPE 3 Record – Policyholder Information

One or more TYPE 3 records must follow each TYPE 2 record. There must be a TYPE 3 record for each person party to the policy/contract.

3.5 TYPE 4 Record

A single TYPE 4 record follows the last TYPE 3 record in each batch. The TYPE 4 record contains a count of the number of chargeable events reported in the batch (i.e. a count of TYPE 2 records).

3.6 Record Structure Details

Field Type

- C - Conditional Fields. These fields must be completed where the conditions stated are met; otherwise pad with spaces.
- M - Mandatory fields. These fields must be completed using one of the values described.
- O - Non-mandatory fields. These should be completed where possible; otherwise pad with spaces.

NOTE

Some of the fields specified in the TYPE 1 record are used by the insurer to define the sizes of the fields following in the TYPE 2 and TYPE 3 records. The insurer is allowed to set some of these to zero lengths. These fields have been categorised as mandatory on the TYPE 1 record because they **MUST** be supplied even though their contents may be set to Zero.

In instances where the insurer has defined these field sizes to be zero, HMRC will not expect these fields to be present in the TYPE 2 or TYPE 3 records as appropriate.

3.7 Format Definition

Wherever a 'FORMAT' instruction appears, followed by some alphabetic or numeric characters, it is intended to give guidance on the acceptable input to that particular field.

For example 'FORMAT A9999' should be interpreted as follows:

- A - any alphabetic character, unless stated specifically.
- 9 - any digit from 0-9, unless stated specifically.

For example 'FORMAT DDMCCYY' should be interpreted as follows:

- DD - a numeric representation of a date within a month.
- MM - a numeric representation of a month within a year.
- CC - a numeric representation of a century.
- YY - a numeric representation of a year within a century

3.8 If your data does not fill the entire field

Please note that when padding a field with spaces each character must be filled with a space character. For example where the Forename field is 40 characters. If the forename is STEPHEN (7 characters), the remaining 33 positions to the right are filled with space characters as described.

From a system that uses ASCII or Unicode coding, a space is the character with the decimal code 32. From a system that uses EBCDIC encoding, it is the character with the decimal code 64.

Please note that Tab characters (ASCII code 9) are not permitted. The tab is a single character that represents the number of spaces to the next tab stop on a printer, typewriter or text editor (including word-processors). Consequently the number of spaces a tab represents in other contexts is undefined.

3.9 Record Type Structure

3.9.1 TYPE 1 Record – Insurer Information

Data Item Name	Format	Type	Notes
RECORD TYPE	CHAR 1	M	Value '1'
REPORT TYPE	CHAR 2	M	Value 'CE'
INSURER'S NAME	CHAR 50	M	The name of the Insurer submitting the batch of certificates. <i>Left justify pad with spaces</i> . NB Name only, please do not supply an address
HMRC INSURER REF	CHAR 8	M	Format is A9999/99. The first 5 characters are issued to the Insurer by HMRC. The /99 suffix enables the Insurer to differentiate between the Insurers systems or geographic boundaries that have been used for submitting batches.
BATCH NUMBER	CHAR 3	M	Format is 999. Batch number within the sub-report of certificates, starting at '001' for the first submission and increasing sequentially for subsequent batches. The number is reset for the first submission of certificates forming part of the report relating to the next Tax Year. <i>Right justify pad with zero (pad with space allowed)</i> .
POLICYHOLDER TITLE LENGTH	CHAR 2	M	Format is 99. The number of characters used to supply a policyholder's title. <i>Right justify, pad with zeros (pad with spaces allowed)</i> . NB Set to '00' if UNSTRUCTURED name is always supplied in the POLICYHOLDER NAME field or policyholder titles are not held on the Insurer's system.
POLICYHOLDER FORENAME(S) LENGTH	Char 2	M	Format is 99. The number of characters used to supply Forename(s)/initial(s) in POLICYHOLDER FORENAME(S) field. <i>Right justify, pad with zeros (pad with spaces allowed)</i> . NB Set to '00' zero if UNSTRUCTURED name is always supplied in the POLICYHOLDER NAME field
POLICYHOLDER NAME LENGTH	Char 3	M	CHAR 3 M Format is 999. The number of characters used to supply a policyholder's surname for STRUCTURED names or the number of characters used to supply the full name for UNSTRUCTURED names whichever is the greater. NOTE: This cannot be zero '000'. <i>Right justify pad with zeros (pad with spaces allowed)</i> .

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POLICYHOLDER ADDRESS LINE LENGTH	CHAR 3	M	Format is 999. The length of each address line used within the policyholder's address. NOTE: This cannot be zero '000' <i>Right justify pad with zeros (pad with spaces allowed).</i>
POLICYHOLDER ADDRESS LINE COUNT	CHAR 2	M	Format is 99. The number of address lines used for policyholder's address. NOTE: This cannot be zero '00'. <i>Right justify pad with zeros (pad with spaces allowed).</i>
POLICYHOLDER POSTCODE SUPPLIED	CHAR 1	M	'Y' if POSTCODES are held separately from the address on the Insurer's system. 'N' if POSTCODES are only held as part of the address on the Insurer's system.

3.9.2 TYPE 2 Record – Chargeable Event Gain Information

RECORD TYPE	CHAR 1	M	Value '2'
POLICY NUMBER	CHAR 24	M	The unique identifying designation given by the insurer to the policy or contract. <i>Left justify pad with spaces.</i>
CURRENCY CODE	CHAR 3	C	The SWIFT code of the currency used to report all monetary amounts. This must be completed when the currency used is not the currency of the UK.
TYPE OF CHARGEABLE EVENT	CHAR 2	M	Format is numeric 1 to 99. This is the category of the chargeable event.
DATE OF CHARGEABLE EVENT	CHAR 8	M	Format is DDMMCCYY The date on which the chargeable event occurred. E.g. date of a full surrender 31 March 2003 should be reported as 31032003.
DATE ON WHICH POLICY YEAR ENDS	CHAR 8	C	Format is DDMMCCYY as for DATE OF CHARGEABLE EVENT The date of the day before the next anniversary of when the policy or contract was made to occur after the date of the part surrender or part assignment. The insurer needs to make this entry in addition to the entry in "Date of chargeable event" when the Chargeable Event Type is 6 or 7 – see paragraph 11.3 of Appendix E.
NUMBER OF YEARS	CHAR 3	M	Format is numeric 1 to 999. The entry is the number of complete years relevant for computing the appropriate fraction of the gain for the purposes of section 536 apart from section 536(7) and (8).

AMOUNT OF CHARGEABLE EVENT GAIN	CHAR 8	M	Format is numeric. It is a monetary amount. It must be a whole number. Insurer to round down. The amount of the gain is the amount calculated in accordance with the rules in ITTOIA05. This box is left empty if the chargeable event is an assignment (category of event 4).
INCOME TAX TREATED AS PAID	CHAR 1	M	Format is Y for yes and N for no. The entry is Y if, on the assumption that the gain was chargeable to tax under section 463, the individual chargeable would be treated as having paid income tax at the basic rate on the amount of the gain in accordance with section 530. The answer is N if such an individual would not be so treated.

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AMOUNT OF INCOME TAX TREATED AS PAID	CHAR 8	C	Format is numeric. It is a monetary amount. It must be a whole number. Insurer to round up. There is only an entry in this box if the answer to whether income tax is treated as paid is Y. Otherwise this box is left empty. It is also left empty if the chargeable event is an assignment (category of event 4). The entry is the amount of the gain multiplied by the basic rate of income tax for the relevant year of assessment.
TOTAL OF PREVIOUS GAINS	CHAR 8	C	Format is numeric. It is a monetary amount. It must be a whole number. Insurer to round up. Complete this box only when the event is a whole assignment, category of event 4. Enter the aggregate of previous gains that arose in connection with the policy or contract, or in connection with any related policy or contract.
PREMIUMS OR CONSIDERATION PAID	CHAR 8	C	Format is numeric. It is a monetary amount. It must be a whole number. Insurer to round up. Complete this box only when the event is a whole assignment, category of event 4. Enter here the amounts previously paid under the policy or contract by way of premiums or paid otherwise by way of consideration for an annuity
RELEVANT CAPITAL PAYMENTS	CHAR 8	C	C Format is numeric. It is a monetary amount. It must be a whole number. Insurer to round down. Complete this box only when the event is a whole assignment, category of event 4. The entry is the value of all sums or benefits of a capital nature, other than one attributable to a person's disability, paid or conferred under the policy before the happening of the chargeable event. It includes such sums or benefits paid under policies related (defined section 491(6)) to the policy existing at the time of the chargeable event.
VALUE OF PARTS PREVIOUSLY ASSIGNED	CHAR 8	C	Format is numeric. It is a monetary amount. It must be a whole number. Insurer to round down. Complete this box only when the event is a whole assignment, category of event 4. Enter the aggregate of the surrender values previous part assignments would have had if the parts assigned had instead been surrendered. When aggregating the value of any previous part assignments, do not include those for no money or money's worth made on or after 6 April 2001
CAPITAL ELEMENT(S) PAID ON ACCOUNT OF ANNUITY	CHAR 8	C	Format is numeric. It is a monetary amount. It must be a whole number. Insurer to round down. Complete this box only when the event is a whole assignment, category of event 4. Enter the aggregate of capital elements included in any payments previously made on account of an annuity.
NUMBER OF POLICYHOLDERS	CHAR 3	M	The number of "appropriate policyholders" as defined in section 552(10). <i>Right justify pad with zeros or spaces.</i>
TYPE 3 RECORD COUNT	CHAR 3	M	The number of type 3 records associated with this chargeable event. <i>Right justify pad with zeros or spaces</i>

3.9.3 TYPE 3 Record – Policyholder Information

RECORD TYPE	CHAR 1	M	Value '3'
STRUCTURED NAME	CHAR 1	M	'Y' if policyholder's name is held in a structured format i.e. title(s) are supplied in the POLICYHOLDER TITLE field, forename(s) initial(s) are supplied in the POLICYHOLDER in FORENAME(S) field and surname only is supplied in the POLICYHOLDER NAME field. 'N' if policyholder's name is not in a structured format, i.e. the Insurer holds the name in a free text field e.g. title(s), forename(s) and surname are held together. In this case the complete name is put in the POLICYHOLDER NAME field.
NAMING CONVENTION	CHAR 2	M	'00' if STRUCTURED NAME is set to "Y". See Appendix A Section 6.1.2 for other values to use when STRUCTURED NAME is set to "N".
POLICYHOLDER TITLE	CHAR X	O	Title(s) of the policyholder. E.g. MR or MRS or MS or DOCTOR etc NB Provide a space between title(s) if more than one title is provided for a

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			policyholder. <i>Left justify pad with spaces.</i>
POLICYHOLDER FORENAME(S)	CHAR X	O	Forename(s) and/or initial(s) of the Policyholder. NB Space initials if initials are provided. <i>Left justify pad with spaces.</i>
POLICYHOLDER NAME	CHAR X	M	Surname of the policyholder if STRUCTURED NAME field is set to 'Y'. Full name of the policyholder if the STRUCTURED NAME field is set to 'N'. <i>Left justify pad with spaces.</i>
POLICYHOLDER ADDRESS	CHAR X	M	The permanent residential address of the policyholder, including policyholder postcode if POLICYHOLDER POSTCODE SUPPLIED field is set to 'N'. <i>Left justify with spaces.</i>
POLICYHOLDER POSTCODE	CHAR 8	O	Postcode for the above address if POLICYHOLDER POSTCODE SUPPLIED field is set to 'Y'

3.9.4 TYPE 4 Record – Control Count

RECORD TYPE	CHAR 1	M	Value '4'
CHARGEABLE EVENT COUNT	CHAR 11	M	The count of all the chargeable events (TYPE 2 records) submitted in this batch which will be used to ensure the integrity of the received batch. <i>Right justify pad with zeros (pad with spaces allowed).</i>

APPENDIX A

Guide-lines for Acceptable Magnetic Media

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- 4.1 Acceptable Media
 - 4.1.1 General
- 4.2 Compact discs
 - 4.2.1 Format
 - 4.2.2 Content
 - 4.2.3 Naming

4.1 Acceptable Media

Data will be accepted on:

- CD
- DVD
- USB Sticks

When submitting on CD or DVD insurers should record their chargeable event reference number on to the CD/DVD using an appropriate CD marker. All other media should be labelled with the chargeable event reference.

4.1.1 General

THERE MUST BE ONLY 1 FILE PER ITEM OF MEDIA.

4.2 Compact discs

4.2.1 Format

Files must be ASCII/EBCDIC text files, NOT database or spreadsheet files.

4.2.2 Content

The content of the file should conform to the chargeable event report format as defined in this Magnetic Media Specification.

4.2.3 Naming

Files should be named with the main name denoting the sub-report reference number excluding the “/” slash, and the extension denoting the sequence number of the disc in the sub-report i.e. for reference number A9999/99:

A999999.001, A999999.002 etc.

Example:

An insurer whose sub-report 01 is to be provided on disc(s):

HMRC
Reference No : B1050/01
Media : Disc
No. of Disc(s) : 3

Naming Conventions to be used:-

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- B105001.001 This should contain 1 TYPE 1 record followed by a number of TYPE 2 records each TYPE 2 record may be followed by a number of TYPE 3 records.
- B105001.002 This should contain a number of TYPE 2 records, each TYPE 2 record may be followed by a number of TYPE 3 records.
- B105001.003 This may contain a number of TYPE 2 records, and each TYPE 2 record may be followed by a number of TYPE 3 records. The last record on this file should consist of 1 TYPE 4 record.

APPENDIX B

Data Security & Encryption

INDEX

- 5.1 Your Responsibility under the Data Protection Act 1998
- 5.2 What encryption does HMRC use
- 5.3 What is the latest advice on security and encryption

5.1 Your responsibilities under the Data Protection Act 1998 (DPA)

HMRC have an ongoing review into the security of our data transfers out. We currently secure outgoing data to businesses in ways described below and, in the light of the Information Commissioners recent advice, we encourage everyone to be this careful when transferring information to us. We do not set any particular security standards for data coming to us from businesses but are happy to work with anyone who needs to send us data to help secure it. Under the DPA you are responsible for the security of personal data until we have received it.

5.2 What Encryption does HMRC use?

We encrypt data to 256-bit standard with a 20 character complex password onto computer media (normally CD/DVD). A secure courier transports the media in secure and tamper evident packaging. A named individual signs for it when received. We send the password separately.

5.3 What is the latest advice on security and encryption

The most up to date advice on Security and Encryption can be found in the latest security bulletin accessible on the S17 web page.

<http://www.hmrc.gov.uk/esd-guidance/s17-s18-si-reporting.htm#12>

APPENDIX C

Allowable Character Sets

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6	Data Content
7	Allowable Character Set

6 Data Content

All Data must be enclosed in ASCII or EBCDIC character sets.

7 Allowable Character set

Data must use the same character set.

Only the following characters are allowable:

Upper Case Alphabet A to Z

Lower Case Alphabet a to z

Numbers 0 to 9

Oblique /

Hyphen -

Ampersand &

Full Stop .

Apostrophe ‘

Comma ,

Left Hand Parenthesis (

Right Hand Parenthesis)

Space

NB Numeric data must be expressed as digits and as printable characters. For example, number 12 should be expressed as character 1 and character 2.

Where fractions of numbers are being reported, these should be expressed in decimal and as printable characters, for example 1.25 should be expressed as character 1, character ., character 2 and character 5.

NB It is VITAL that the following characters ARE NOT supplied:

Asterisk *

Semi-colon ;

Vertical bar |

APPENDIX D

Naming Conventions

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8.1	Notes on Policyholder Information
8.2	STRUCTURED NAME set to 'Y'
8.3	STRUCTURED NAME set to 'N'
8.4	NAMING CONVENTION

8 Introduction

This section is applicable only to those fields where names are supplied as free format text. (Unstructured)

Why Do I Need to Give a Naming Convention Code?

HMRC need to determine for entries in a free format field the order of the elements in the name, so that during processing HMRC can interpret the data and utilise it effectively.

Which Code should I use?

This should be indicated by the 2 digit numerical code that matches your data. The acceptable code numbers are shown in sections 9.1 and 9.2.

Type 3 record - Policyholder Naming Convention

where no policyholder Name or Title has been supplied enter the code 00 (numeric zero's) in the Account Naming Convention field.

8.1 Notes on Policyholder Information

Insurers are required to supply the following information for the appropriate policyholder(s) if relevant:

- title
- forename(s)
- surname
- full address including postcode

8.2 STRUCTURED NAME set to 'Y'

The insurer holds the policyholder's name for this Chargeable Event in a structured format. Supply '00' in NAMING CONVENTION field.

8.3 STRUCTURED NAME set to 'N'

The insurer holds the name of the policyholder in an unstructured format. The full name will be supplied in the POLICYHOLDER NAME field. The NAMING CONVENTION field is used to determine how HMRC will interpret the free format name supplied in the POLICYHOLDER NAME field.

8.4 NAMING CONVENTION

This will be set to the following, depending on how the name will be supplied:

- | | |
|----|---|
| 00 | the policyholder name is provided in a structured format in the title, initial or forename and surname fields |
| 01 | title(s) forename(s) surname e.g. Mr John Adam Smith |
| 02 | surname forename(s) title(s) e.g. Smith John Adam Mr |
| 03 | surname title(s) forename(s) e.g. Smith Mr John Adam |
| 04 | forename(s) surname e.g. John Adam Smith |

Magnetic Media Specification for Chargeable Events

05 surname forename(s) e.g. Smith John Adam

06 title(s) surname forename(s) e.g. Mr Smith John Adam

NB Forename(s) may contain initials or may not even be present. If the format is indeterminate, then please supply '01'

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Guidance on Completion

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9 TYPE 1 record

9.1 HMRC Insurer Reference

The prefix is the number provided to the insurer by HMRC for the purposes of submitting Chargeable Event Certificates and is the format A9999. The '99' is the sub report number ('01' to '99') to enable the insurer to report from different systems or reports from regional based systems. If an insurer only requires one value, then the automatic default setting is '01'. If additional numbers are required follow instructions at paragraph 2.3

9.2 Insurer Name

This is the name of the insurer submitting the report.

9.3 Batch Number

This is a sequential number generated by the insurer. The number sequence is specific to each insurer reporting system (denoted by the HMRC Insurer Reference and sub report number) and allows unique identification for the batch.

10 TYPE 2 record

10.1 Policy Number

Insurers must report this for every gain. It is the unique identifying designation given by the insurer to the policy or contract. Insurers may aggregate the details from more than one policy where the nature and date of the event are the same in respect of each policy and where the policy numbers are the same apart from a sub-designation e.g. the whole surrender of 6 policies *AB1234567/1*, *AB1234567/2* etc. could be included on 6 individual certificates or all amounts could be amalgamated and shown on one certificate with the policy number shown as *AB1234567/1-6*.

10.2 Currency Code

The three character field is for the SWIFT code of the currency in which the insurer reports details of all monetary amounts. The default setting is the currency of the United Kingdom. Insurers may space fill the field if the certificate is completed in the currency of the United Kingdom.

The insurer may complete the certificate using the currency in which the policy is denominated if this is not the currency of the United Kingdom. In this case the insurer must complete the field with the appropriate SWIFT code – the codes can be viewed by using the following shortcut to the HMRC website:-

www.hmrc.gov.uk/esd-guidance/s17-s18-si-reporting.htm

10.3 Chargeable Event Type

Insurers must report this for every gain. The entry should be a number to denote the category of event, as set out below.

- 1 Death
- 2 Maturity
- 3 Surrender including fundamental reconstructions of the contract, such as change of life or lives assured.
- 4 Whole assignment for money or money's worth
- 5 Part surrender to which section 498 applies – see Table below.
- 6 Part surrender to which section 509 applies – see Table below
- 7 Part assignment for money or money's worth
- 8 Yearly gain on personal portfolio bond

Policy loans within section 548 are treated as if they were part surrenders. Insurers should report loans which are chargeable events as category of event 5 or 6 as appropriate, applying the rules, which are set out in the Table immediately below, to the loans as if they were part surrenders.

Description	Code number for chargeable event part surrender	Notes (about part surrenders only)
Part surrender (but nothing else)	5	Test under section 498. If there is an 'excess' - single chargeable event at end of policy year
Several part surrenders (but nothing else)	5	Test under section 498. If there is an 'excess' - single chargeable event at end of policy year
Assignment (full or part) by way of gift followed by one or more part surrenders later in policy year	5	Test under section 498. If there is an 'excess' – single chargeable event at end of policy year
One or more part surrenders before or after full assignment for money or money's worth	5	Test under section 498. If there is an 'excess' – single chargeable event at end of policy year.
Part surrender and part assignment for money or money's worth in the same policy year (in either order)	6	Test under section 509. May be a chargeable event occurring at the time of the part surrender
Several part surrenders and a part assignment for money or money's worth at any time in the year	6	Test under section 509. Each part surrender may be a separate chargeable event occurring at the time of the part surrender. Two or more part surrenders with no intervening part assignment may be reported on one certificate

Part surrender followed by an assignment (part or full) by way of gift	6	Test under section 509. If a chargeable event, event occurs at time of the part surrender
Several part surrenders, including at least one before an assignment by way of gift part way through policy year	6	Test under section 509. Each part surrender may be a separate chargeable event occurring at the time of the part surrender. Two or more part surrenders with no intervening part assignment may be reported on one certificate

10.4 Date of Chargeable Event

Insurers must report this for every gain. The entry here is the date on which the event occurred. This is generally the date on which the transaction giving rise to the event took place. If more than one part surrender is reported on the same certificate under section 552ZA (3), insurers should report the date of one of the part surrenders which it is reporting.

The exceptions to this are when the event is:

- a part surrender with neither a part assignment for money or money's worth during the year, nor a later part or whole assignment otherwise than for money or money's worth later in the year (category of event number 5) or
- the occurrence of a yearly gain on a personal portfolio bond (category of event number 8). In these cases the date of the event is the last day of the year as defined in section 499.

The date should be included in the format DDMMCCYY.

10.5 Date on which Policy Year Ends (defined in section 499)

An entry is needed here when the event is either a part surrender falling within category of event number 6 (see Table above) or a part assignment for money or money's worth (category of event number 7).

In these cases, in addition to reporting the date of the event, the insurer must enter in this field the Policy Year End date i.e. the day before the next anniversary of when the policy was made.

The date should be included in the format DDMMCCYY.

10.6 Number of Years

Insurers must report this for every gain. Where the period a policy has run, or the period since the last event, is less than one year, this box should be completed by entering the number 1.

For death, surrender, maturity and whole assignment (categories of event 1 to 4), and the first part surrender or part assignment in relation to a particular policy or contract that is an event in categories of event 5 to 7, this is the number of complete years the policy or

Magnetic Media Specification for Chargeable Events

contract has run from when it was taken out to the date of the event or, for part surrenders and part assignments, to the end of the Policy Year End in which the surrender or assignment took place.

For part surrenders and part assignments (in categories of event 5 to 7) of a policy that is not a new non resident policy or an OLAB contract made on or after 17 March 1998, other than the first such surrender or assignment in relation to the policy or contract, it is the number of complete years the policy or contract has run from the end of the Policy Year in which the most recent earlier event occurred until the end of the Policy Year in which the surrender or assignment took place.

For part surrenders and part assignments (in categories of event 5 to 7) of a new non-resident policy or an OLAB contract made on or after 17 March 1998, this is the number of complete years the policy has run from when it was taken out to the end of the Policy Year in which the part surrender or assignment took place.

For gains arising on Personal Portfolio Bonds (in category of event 8), the entry must always be 1.

The number of years a policy of life insurance has run is measured from the date the earliest related policy was taken out. By “related policy” is meant any policy in respect of which a later policy has been issued in substitution for, or in respect of which a later policy has been issued in consequence of an option conferred by another policy.

10.7 Amount of Chargeable Event Gain

This is the amount of the gain calculated in accordance with:

- Section 491 and 507 for life insurance policies and capital redemption policies where the chargeable event falls into category of event number 1 – 3 and 5 above.
- Section 491 and 507 for contracts for life annuities where the chargeable event falls into category 1 – 3 and 5 above
- Section 511 where the chargeable event is in category of event number 6 of 7 above
- Section 522 where there is a yearly gain for a Personal Portfolio Bond in category of event number 8 above.

The amount of the gain to be reported is the amount without any reduction which might be due for periods during which the policyholder was not resident (relief under section 553(3)), which may be available in connection with new non-resident policies and with OLAB contracts made on or after 17 March 1998.

No entry is required here if the chargeable event is a whole assignment (category of event 4).

10.8 Income Tax Treated as Paid

Insurers must report this for every gain. The gains from most, but not all, policies and contracts with UK insurers are chargeable to tax as if income tax at the basic rate had already been paid on the amount of the gain. The types of policy and contract issued by UK insurers which do not entitle a policyholder who is an individual or a trustee to be treated as having suffered basic rate tax on the amount of the gain are:

- policies of life insurance and contracts for life annuities made by a friendly society in the course of tax exempt life or endowment business and
- contracts for life annuities made after 26 March 1974 but in an accounting period of the insurance company beginning before 1 January 1992 and
- policies of life insurance that form part of the Overseas Life Assurance Business (OLAB) of an insurance company or friendly society made on or after 17 March 1998, or varied (and for this purpose any exercise of rights conferred by the policy shall be regarded as a variation) on or after 17 March 1998 so as to increase the benefits secured or to extend the term.

Insurers should complete this box on the assumption that the person chargeable to tax on the gain is an individual, even if the holder of the policy is a company. A company is not entitled to be treated as if basic rate tax has been paid on a gain it makes.

Enter Y for Yes and N for No.

Amount of Income Tax Treated as Paid

The amount of income tax treated as paid is the amount of the gain multiplied by the basic rate for the relevant year. The relevant year is the year of assessment to which the gain is attributable.

When completing this field, the insurer may assume that the person chargeable to tax on the gain is an individual. The relevant year of assessment to which a gain is attributable is the year of assessment in which the event was treated as arising, this includes the end of the Policy Year (as defined section 499) in which any part surrender or assignment took place.

No entry is required here if the chargeable event is a whole assignment (category of event 4) or if the entry in the field "Income Tax Treated as Paid" is "N".

10.9 Total of Previous Gains

An entry is only required if the chargeable event is a whole assignment (category of event 4).

This amount is the aggregate of all previous gains that have arisen before the happening of the chargeable event in connection with the policy or contract as a result of part surrenders or part assignments that were chargeable events in categories of event 5 to 7, or of gains arising on Personal Portfolio Bonds in category of event 8.

10.10 Premiums or Consideration Paid

An entry is only required if the chargeable event is a whole assignment (category of event 4).

For a life insurance policy or a capital redemption policy, the amount of premiums or consideration means the total amount previously paid under the policy by way of premiums.

For a contract for a life annuity, the amount of premiums or consideration means the total amount previously paid under the contract by way of premiums or as lump sum consideration.

The entry here includes any premiums or consideration paid under any “related policy”. The term “related policy” means any policy in respect of which a later policy has been issued in substitution for, or in respect of which a later policy has been issued in consequence of an option conferred by another policy.

10.11 Relevant Capital Payments

An entry is only required if the chargeable event is a whole assignment (category of event 4).

The amount of relevant capital payments in relation to any policy or contract means the aggregate amount of any sum or other benefit of a capital nature, other than one attributable to a person’s disability, that has been paid or conferred under the policy or contract before the happening of the chargeable event.

The amount of relevant capital payments includes any sums or other benefits paid or conferred under any “related policy”. The term “related policy” means any policy in respect of which a later policy has been issued in substitution for, or in respect of which a later policy has been issued in consequence of an option conferred by another policy.

10.12 Value of Part(s) Previously Assigned

An entry is only required if the chargeable event is a whole assignment (category of event 4).

The amount is the aggregate of the surrender values previous part assignments would have had if the parts assigned had instead been surrendered, including part assignments for no money or money’s worth made before 6 April 2001 but excluding part assignments made by way of gift on or after that date.

10.13 Capital Element(s) Paid on Account of an Annuity

An entry is only required if the chargeable event is a whole assignment (category of event 4).

The insurer must make an entry here only where the insurance contract is a purchased life annuity as defined in section 717(4) and section 423 and payments have been made on account of the annuity before the happening of the chargeable event. The amount is the aggregate of capital element included in the payment or payments as determined in accordance with section 656.

10.14 Number of Policyholders

Insurers must report this for every gain. This field denotes the number of appropriate policyholders. An "Appropriate policyholder" is defined in section 552(10). Where the event is in category 7 below (see section 11.3), the appropriate policyholder is one who was either the policyholder or one of the policyholders immediately before the event and was also the assignor or one of the assignors. For all other events, the appropriate policyholder is the policyholder or policyholders immediately before the event occurred.

The information should be included as a three digit number i.e. 004.

A body of trustees counts as one policyholder for this purpose.

11 TYPE 3 record

11.1 Policyholder Title

This may be a zero length field. It contains the title component of the policyholder's name, e.g. Mr, Mrs, Doctor, etc.

11.2 Policyholder Forename(s)

This may be a zero length field. It contains the forename(s)/initial(s) component of the policyholder's name.

NB Where the insurer knows that this component field contains only initial(s), HMRC requires the initial(s) to be spaced. Ensure that the size of this field as defined in the TYPE 1 record allows for separating spaces.

11.3 Policyholder Name

It contains the surname component of the policyholder's name for structured names and contains the policyholder's full name for unstructured names, including where a body of trustees or a company is a policyholder.

11.4 Policyholder Address

This should be the policyholder's permanent residential address. A "Care of" or other correspondence addresses are not permitted, nor is the address of the policyholder's employer or financial adviser. If, exceptionally, the policyholder's current permanent address is not known the insurer should report the last known address. If the insurer has been notified of a power of attorney being granted for a policyholder, the insurer may enter the attorney's address on the certificate. The postcode must be reported in all cases with a United Kingdom address, if known by insurer.

Insurer holds address lines of different lengths

If the insurer holds address lines of different lengths, then each address line should be padded with spaces to the length defined in the POLICYHOLDER ADDRESS LINE LENGTH field in the TYPE 1 record.

Number Of Address Lines

The number of address lines supplied should correspond to the number defined in the POLICYHOLDER ADDRESS LINE COUNT field in the TYPE 1 record.

If the address is not held as a number of separate lines, (i.e. there is one single field holding all of the address) it is helpful if the address, street, city and other components are separated by commas.

11.5 Policyholder Postcode

The value of the POLICYHOLDER POSTCODE SUPPLIED field in the TYPE 1 record will determine whether the Postcode is to be supplied as part of the address or not see below:

POLICYHOLDER POSTCODE SUPPLIED = 'N'

The postcode must be provided as part of the address since the insurer does not hold the postcode in a separate field. HMRC will interpret the length to be zero.

POLICYHOLDER POSTCODE SUPPLIED = 'Y'

The postcode should not be supplied as part of the address. HMRC will interpret this to be CHAR(8). *Left justify pad with spaces.*

APPENDIX F

Contact Information

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12 HMRC – Centre for National Information (CNI)

12 Centre for National Information (CNI)

Postal Address:

HM Revenue & Customs
Centre for National Information
Financial Institute Returns Management
Ty Glas Road
Llanishen
CARDIFF
CF14 5ZG

Telephone Number:

Cardiff (029) 2032 6379 or (029) 2032 7285

Cni.firm@hmrc.gsi.gov.uk

APPENDIX G

Problems

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Introduction

The purpose of this document is to identify potential problems that could occur in the light of previous returns, such as Section 17/18 and TESSA returns, and to avoid similar problems from occurring with the Chargeable Event Certificate Reports.

13 General/Clerical problems

Use of non-unique batch numbers within a sub-report of certificates:

HMRC expects each report to be made up of 1 or more batches. Batch numbers must commence after the previous number used for that tax year and be sequential for each sub-report. Some problems were experienced here for various reasons, such as those outlined below:

13.1 Sub-report produced at 2 or more different locations

This can occur when the labelling and shipping exercise has not been co-ordinated (e.g. more than one location sending in part of a sub-report with their own numbering system). This problem can be overcome in the following 2 ways:

- Split the sub-report into 2 or more separate sub-reports, one from each site, and use unique sub-report numbers for each location.
- Collate all the media for a given sub-report at one central point and then format label and despatch with consistent numbering.

13.2 Incomplete sub-reports

If an insurer submits the sub-report in several parts or realises that some certificates have been omitted from a sub-report after submitting to HMRC and is requested to supply an additional batch, please ensure that the batch number given relates to the next batch sequence number (not starting at 1).

Example:

Original submission

Sub-report: P1101/01
Batch 1 of 2 Volume 1 of 3
Batch 1 of 2 Volume 2 of 3
Batch 1 of 2 Volume 3 of 3
Batch 2 of 2 Volume 1 of 1

Additional Submission

Sub report: P1101/01
Batch 3 of 3 Volume 1 of 2
Batch 3 of 3 Volume 2 of 2

NB Please do not generate a new sub-report containing the original submission, but generate an additional submission using the next available batch number for the sub-report.

13.3 Batch numbers on each sub-report not commencing with 1:

To reiterate the statement above, batch numbers must commence at 1 and be sequential for each sub-report. Problems often occur as a result of a number of misinterpretations between sub-report and batches.

CORRECT example:

Sub-report : B1101/01
Batch 1 of 1 Volume 1 of 1

Sub-report : B1101/02
Batch 1 of 1 Volume 1 of 1

Sub-report : B1101/03
Batch 1 of 1 Volume 1 of 1

INCORRECT example:

Sub-report : B1101/01
Batch 1 of 3 Volume 1 of 1

Sub-report : B1101/02
Batch 2 of 3 Volume 1 of 1

Sub-report : B1101/03
Batch 3 of 3 Volume 1 of 1

Note in the incorrect example that the batch numbers do not commence at 1 for each sub-return.

14 Chargeable Event Submission Document

14.1 Failure to use correct submission document

Problems occur if sub-reports are not submitted with the correct submission document. Please do not use 'custom' submission documents as they may cause processing delays if they do not contain all the information required to process the sub-report correctly. Either contact Cardiff and request a pre-completed form or use the HMRC blank generic template, which can be found on the HMRC S17 page at:

<http://www.hmrc.gov.uk/s17-s18guidance/return-submission.pdf>

Please ensure that this is fully and correctly completed.

14.1.1 Incorrect labelling

Please take care in filling in the batch and volume information. For example, a sub-report comprising of 1 batch made up of 4 reels of magnetic tape (volumes) would have its labels completed as:

Batch 1 of 1 Volume 1 of 4
Batch 1 of 1 Volume 2 of 4
Batch 1 of 1 Volume 3 of 4
Batch 1 of 1 Volume 4 of 4

Whereas a sub-report which is split into 2 reproducible batches, each comprising of 3 reels of magnetic tape (volumes) would be labelled as follows:

Batch 1 of 2 Volume 1 of 3
Batch 1 of 2 Volume 2 of 3
Batch 1 of 2 Volume 3 of 3
Batch 2 of 2 Volume 1 of 3
Batch 2 of 2 Volume 2 of 3
Batch 2 of 2 Volume 3 of 3

14.1.2 Misuse of submission documents

Please also note that the chargeable event submission document should not be used for the purpose of making any other type report/return, such as an ISA. It clearly has CHARGEABLE EVENT marked on it and could potentially cause severe problems should it be processed under the wrong category of information.

15 Physical Problems

15.1 Use of too many TYPE 4 records

Some Financial Institutions whose batches comprised of more than one volume of media included a TYPE 4 record at the end of each volume of media.

Please note that each Batch has only 1 TYPE 4 record.

15.2 Re-submissions

This refers to re-submissions either after failed batches or due to notification of errors by the Financial Institutions. When re-submitting, please use the original sub-report reference number and batch numbers. Please ensure when completing the submission document that the correct reason for re-submission is reflected on the document. Please refer to Appendix I (Live Submission Instructions).

15.3 Data after TYPE 4

No data should appear after the TYPE 4 record,. Any data found after the TYPE 4 record will be queried and a letter will need to be submitted to assure HMRC that the data after the TYPE 4 is not valuable data, such as extra records, and may be ignored by HMRC.

15.4 Incorrect volumes submitted

Some insurers submitted volumes of media containing non Chargeable Event data. Please ensure the correct volumes of media are submitted to HMRC.

15.5 Incorrect number of volumes in a batch

Some Financial Institutions submitted batches consisting of a number of volumes. On further examination some of these volumes were found to be blank. Please ensure that all volumes within a batch contain data. Please note that the first volume in a batch must contain a TYPE 1 Record at the start of the data segment and the last volume in a batch must be completed by a TYPE 4 Record.

16 Optical Media Specific Problems

16.1 Incorrect data file format

Receipt of spreadsheets (e.g. straight Lotus 1-2-3 or Dbase files), word processing documents or any other file in a proprietary software format is not acceptable. Please refer to Appendix A (Guidelines for Acceptable Magnetic Media). The data, when supplied on any form of magnetic media, should be contained in an ASCII or EBCDIC text file, which must then conform to the field layouts described in the Chargeable Event Scheme Magnetic Media Specification.

17 Data Content Problems

17.1 Missing Record Identifier

Some Financial Institutions omitted to supply record identifiers at the start of each record. This causes the submission to fail and cannot be circumvented. Please note that this is a mandatory field without which HMRC will be unable to interpret the data supplied. These cored identifiers should form the first byte of each record.

17.2 Reference Number

Some Financial Institutions supplied either the incorrect HMRC reference number or used a dummy reference number for the live submission.

Example: If the reference number is P0902/01, P902/01 is not acceptable.

17.3 Field lengths in record TYPE 3 not consistent with record TYPE 1

It was sometimes found that the field lengths of the dynamic fields which had been set up in the TYPE 1 record did not in fact agree with what was actually used to generate the TYPE 3. Please ensure consistency between the two.

17.4 Name and address fields populated when no data is available

Problems are caused when many name/address fields for which no data is available contain repeated patterns such as '****NAME UNKNOWN****', '****ADDRESS UNKNOWN****' OR 'STRICTLY CONFIDENTIAL'. If this information is not available for some records, please leave the fields space filled up to the sizes defined in the TYPE 1 record.

17.5 Incorrect TYPE 2 count

The TYPE 4 'Count' should be a count of only the TYPE 2 records supplied in the batch. It should not be misinterpreted as the grand total of all TYPE 1, 2 and 3 records supplied in the batch.

APPENDIX H

Live Submission Instructions

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18 Introduction

If you are not responsible for the production and issue of the Chargeable Event sub-report would you please pass this entire package to the correct person so that all sub-reports submitted bear the correct labelling and are accompanied by a submission document.

A generic submission document which you will need to complete fully and accurately can be found at:

<http://www.hmrc.gov.uk/s17-s18guidance/return-submission.pdf>

19 Structure of Information

Each insurer will deliver one or more sub-reports of certificates. These are divided into one or more reproducible batches, with each batch being submitted on one or more volumes of media.

Many insurers will only be submitting one sub-report consisting of one batch of Chargeable Event Certificates. However, some sub-reports may need to be divided into several batches. Please refer to Chargeable Event Magnetic Specification (Glossary Section) for definition of batches and sub-reports.

Separate items of media (tape, disc, box of paper etc.) should be labelled as a volume, with each volume being numbered sequentially within a batch and each batch being numbered sequentially within a sub-report.

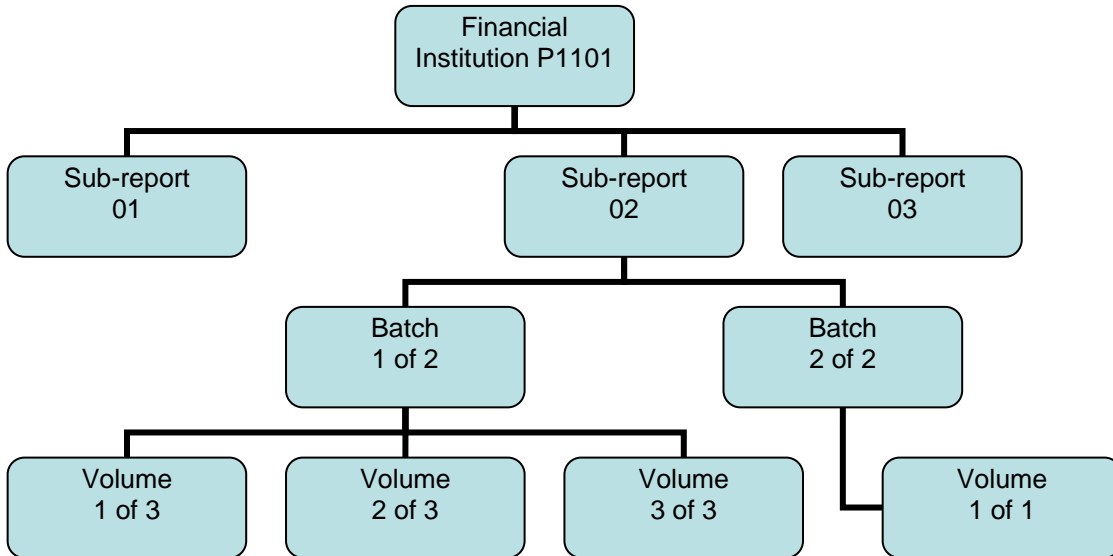
For example, a paper sub-report is expected to be made as a single batch, with the individual boxes or packages of paper being labelled as volumes within the sub-report. The following gives an example of labelling for a paper sub-report comprising 3 boxes:

Box 1: Batch 1 of 1 Volume 1 of 3
Box 2: Batch 1 of 1 Volume 2 of 3
Box 3: Batch 1 of 1 Volume 3 of 3

A new sequence of batch numbers should be started in each tax year.

It is important for insurers to try to ensure that batches and volumes include details appropriate to one tax year only. If it proves necessary to submit details for different tax years at the same time, please try to ensure that a separate item of media is used for each years information.

An example is shown below of an insurer whose submission of certificates comprises of 3 sub-reports, one of which is expanded to show its component parts.



In the example above the sub-report P1101/02 comprises 2 batches, the first batch comprises 3 volumes of media and the second batch comprises 1 volume of media.

Each *volume* should be uniquely labelled and one *submission document* should accompany each package. A package may contain one of the following:

- Complete or part of a sub-report comprising 1 or more complete batches
- Resubmission of failed batch(es)
- Additional batch(es)
- Resubmission of an erroneous sub-report or erroneous batch(es)

The contents of each package should be consistent with the accompanying *submission document*.

20 Completion Instructions

20.1 Label Information

The following example should be used when completing the unique label for each volume:

Chargeable Event Certificate	See explanation notes
Tax Year 2008-09	
Anyland Insurance Group	1
Sub Report: P1101/02	2
Batch No.: of	3
Volume No.: of	4

Explanation Notes:

- 1 The insurer name.
- 2 The insurer's unique reference number provided by HMRC including the sub report number.
- 3 Batch number details should be inserted on each volume, followed by the total number of batches for that tax year (if known) that will make up the complete sub-report, e.g. Batch 2 of 5. These two numbers in combination indicate the sequence within the sub-report.
- 4 Volume number details should be inserted on each item of media followed by the total number of volumes that make up each individual batch, e.g. Volume 1 of 3. These two number in combination indicate the sequence of a volume within the batch.

Numbers entered in 3 & 4 enable the operator to check the sequence of each volume of media within the batch and also to confirm that they have received complete details of a sub-report.

20.2 Submission Document Completion Instructions

One submission document should accompany each package of media and will provide details of all volumes included in the package.

A generic submission document can be found at:

<http://www.hmrc.gov.uk/s17-s18guidance/return-submission.pdf>

For completion please follow the instructions detailed below:

Report type

This should be Chargeable events.

Year

This should be in the form CCYY so for a report in the period 6/4/10-5/4/11 you should enter 2011

Media Report Information

This should reflect the contact details of the provider of the media.

Sub Report Information

The FI name and reference should reflect the insurer and unique HMRC reference to which the data applies. If you cannot remember the HMRC reference or sub

number contact CNI on 0292 032 6379 or 7285 or by e-mail
cni.firm@hmrc.gsi.gov.uk

Total Items enclosed in Package - please enter the total number of items that are enclosed within each package.

Submission Status – please indicate the submission status of the package. This could be one of the following options:

Initial	the initial submission of the whole sub-report.
Retry R	this is for re-submission of failed batch(es) as a result of a previous submission being failed by HMRC.
Retry FI	this is for re-submission of failed batch(es) as a result of the insurer notifying HMRC of errors in a previous submission.
Omissions	this is for supplying additional batch(es) which was/were accidentally omitted from the initial submission. Please enter the total number of items that are enclosed within each package.

Contact Name for Audit Purposes – please enter the name of the person HMRC should contact about the audit of your return.

Number of ESD accounts – please leave blank as this only applies to S17/S18 and ESD returns.

Is this a spreadsheet - please leave blank as this only applies to S17/S18 and ESD returns.

Media Submission Details (–this is used to enter details of the volumes which have been submitted in the package. Individual volume numbers and batch numbers should be entered as appropriate. If required additional information should be entered on the back of the sheet

Your Ref No. – this is for use by the insurer who may need to identify a specific volume by their own numbering system.

Note: All text highlighted in yellow has been amended.