Association of Business Recovery Professionals R3 Rescue Recovery Renewal TECHNICAL ALERT

HMRC – Insolvency Guidance

Introduction of electronic banking for Insolvency Practitioners making dividend payments

HMRC released guidance on 9 April 2020 and an updated version on 22 April 2020 with regard to electronic banking for Insolvency Practitioners ('IPs') making dividend payments.

It has come to the attention of HMRC that a minority of IPs may have received claims from HMRC in historic cases, which have been split into two distinct claims –

(1) Revenue (Debtor's tax and National Insurance)
(2) Customs & Excise (VAT)

The reference used for (1) is similar to the references issued in the above mentioned guidance notes, however, the VAT claim only had the VAT number as reference.

If an IP encounters a similar situation, the steps to take in respect of dividend payments are as follows –

- Process two separate payments;
- The reference number will be the tax/NI and is to be used for both claims (1) and (2);
- The suffix for the dividend payment for (1) claim will be **BKY;**
- The suffix for the dividend payment for (2) will be **VAT.**

Member feedback

With electronic banking having not long been introduced, HMRC are keen to obtain some feedback from the members on whether or not they're managing to use it ok, or if there are any issues. If you wish to provide feedback, please provide this to Ben Luxford, R3's Technical Manager.

Feedback is vital and will enable HMRC to move on to a further stage of improving the 'Customer Journey' for IPs.

~End~