

Alternative Dispute Resolution Trial

Introduction

HM Revenue & Customs (HMRC) is testing a new way of resolving tax disputes using independent facilitation.

About Alternative Dispute Resolution

We are testing a different way of resolving tax disputes and we have called this process Alternative Dispute Resolution (ADR). The way it works is that a third person from HMRC (called a 'facilitator'), who has not been involved in the dispute before, works with the parties to the dispute to try to broker an agreement.

About the pilot

The trial will test ADR in the Small & Medium Enterprises and Individuals customer sectors through to June 2012. For the purposes of the trial, HMRC will be pleased to consider any customer's or representative's request that their dispute be incorporated within the trial, provided that an appealable tax decision or assessment has not been made.

During this trial stage, HMRC will only have limited resources to help resolve disputes. However, we will try and prioritise those disputes where, based on our past experience, there is the greatest chance of success. If we are unable to intervene then customers will be told, but we will also contact the HMRC case owner and manager to let them know that a request to resolve matters has been received. We will ask them to make contact and take appropriate steps to progress the dispute. We will let customers know within 21 days whether or not we can include them in the ADR process.

We will contact customers, or their representatives who have been accepted into the ADR process, introducing them to their facilitator who will explain their role in more detail. Customers and their representatives will also ask for completion of a simple ADR Process Agreement to confirm participation and commitment to ADR. The facilitator will be an HMRC member of staff who has undergone training in facilitation and has had no prior involvement with the dispute. This facilitator will work closely with the customer and the HMRC officer who has been dealing with the case, in an open, flexible and objective way to see if the dispute can be settled.

HMRC will be looking closely at the pilot to see how well ADR works in resolving tax disputes and how it might be made available more widely in the future. Customers' (and representatives) views will be very important in making sure that ADR works so that tax disputes may be resolved to the satisfaction of everyone. Therefore, at the end of the facilitation process customers and their representatives will be asked for feedback so that their views can be taken into account.

Taking part in the pilot in no way prejudices a customer's case and it does not affect rights to have an internal review or to take an appeal to Tribunal. If ADR does not resolve the dispute, the normal rights of review and appeal are available. Facilitators or HMRC officers will be happy to provide more details.

Further information

Further information is contained within the attached schedule of Frequently Asked Questions.

For general background information about the SME pilot please contact the ADR Trial Manager, David Croad, on 0117 372 2264 or email david.croad@hmrc.gsi.gov.uk. For information on the Individual Customer Segment Pilot please contact Graham Nichols, on 01522 884267 or email graham.nichols@hmrc.gsi.gov.uk .