

Appendix A: Examples of suitable cases for the Alternative Dispute Resolution pilot

Case 1 Restoring communication

The customer thinks that an apportionment they have been using is correct but the HM Revenue & Customs (HMRC) officer disagrees. HMRC wants to get further information but the relationship between the customer and the HMRC officer has broken down. In this case a facilitator may be able to help restore communication and enable the dispute to be resolved by ensuring that the information that is required is obtained or if the information is not available or relevant then an alternative route can be explored.

Case 2 Clarifying the facts

A case where the dispute is about the rate of VAT that should be charged on a supply. The rules have previously been established and the dispute has arisen because not everyone is clear on the facts relating to the case. For any number of reasons the HMRC officer may not have been able to convey their position to the customer. The facilitator may be able to assist in explaining the position, ensuring that both sides are applying the law correctly and thereby resolving the dispute.

Case 3 Obtaining more suitable evidence

An HMRC officer believes that a customer's valuation is incorrect. They wish to instruct the District Valuer for an agreed valuation. The HMRC officer wishes to raise assessments using the value they think is correct if the customer does not agree to an agreed valuation with the District Valuer. The customer believes that the value that the HMRC officer is considering is not correct but isn't clear of the role of the District Valuer. The customer also has concerns about the Compliance Check process and is confident in their own position. A facilitator may be able to clarify the position on both sides, ensure that the correct people are being contacted and through open discussion establish if an agreed valuation is required. With new information the HMRC officer and customer may be able to come to agreement, an agreed valuation may be obtained or at the very least the positions of the parties should be clarified.

Case 4 Issues capable of further mediation

A case where there are both corporation tax and VAT issues. The HMRC officers have prepared a business model on the information they had at an earlier stage in the Compliance Check. The customer is unsure as to what information they have used but is certain that the model is based on incorrect assumptions. Despite requests from the customer the HMRC officers have not elaborated on the basis of the business model. The Compliance Check has stalled due to the level of profits that the business model states the customer should have returned. A facilitator may be able to ensure that the assumptions around the business model are correct or not. The method of the model can be clarified for the customer and any incorrect assumptions remedied by the HMRC officers. This could provide a way for the Check to progress or be resolved.

Case 5 Obtaining a better understanding of the arguments

A case that has been open for a long time and the customer keeps receiving information requests from the HMRC officer. The customer is not sure why the information is required and is reluctant to supply all the information because the events happened a while ago and the information is all in storage. At the outset the customer and/or their representative could see why information was being requested

but the Compliance Check appears to them to have lost focus and direction. A facilitator could help the parties come together, establish where the Check is going and what level of information is required to resolve the dispute.