

# R&D: recent engagement with HMRC

Large Corporate

OMB



24 October 2024

CIOT continues our constructive engagement with HMRC around R&D tax relief enquiries.

Following our meeting with HMRC to discuss ongoing concerns with R&D tax relief enquiries in the summer, we asked you to send us recent examples of your experiences with HMRC to provide evidence of the ongoing issues. Thank you to those of you that sent these to us – they are very helpful to us in our engagement with HMRC.

In September, CIOT met with HMRC's compliance operations team to hear about their improvement plan and training initiatives. HMRC acknowledged that their conduct had at times fallen below their standards. HMRC are looking at improving letters, ensuring that information requests are properly tailored to individual cases, and recalibrating the allocation of R&D enquiries between the Individual and Small Business Compliance (ISBC) and Wealthy and Mid-Sized Business Compliance (WMBC) teams so that more complex enquiries are dealt with in WMBC.

We would like to hear from you if/when you feel the impact of these improvements in the coming months; HMRC noted that they will take time to be felt on the ground. We stressed to HMRC that collateral damage from the volume compliance approach had severely eroded trust in the tax system. We emphasised the need for HMRC's compliance standards to improve in order to ensure fair treatment for all and so that trust can be rebuilt.

Looking ahead, we are also pleased that HMRC have arranged a meeting of the CIOT/ICAEW/HMRC R&D Working Group for November, and we look forward to continuing our constructive dialogue with them through that forum. We are also expecting HMRC to publish a Compliance Action Plan in relation to tackling error and fraud within R&D claims before the end of the year.

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