

## Please check your Self Assessment tax return for 2021 to 2022

Information given to us by Companies House shows that you held shares in several companies and that these companies entered into a Members Voluntary Liquidation (MVL). The information shows you held shares in the following companies:

1. [\[Company names from data file – to populate as a numbered list\]](#)

If you received distributions from these companies after the MVL, you must declare them on your Self Assessment tax return.

Our records show that you have not declared a distribution on your 2021 to 2022 Self Assessment tax return. Please check if your tax return is correct.

A distribution is any amount you receive from the liquidation of a company. This includes the market value of any assets that transfer to you. Please check whether the distribution should be considered as an income distribution or a capital distribution.

### What you need to do now

- 1 Check if you received an income distribution or a capital distribution during the tax year above. To help you work this out, go to GOV.UK and search 'CG57810'.
- 2 Check if you need to amend your Self Assessment tax return for the year 2021 to 2022. It will be box 4 or 5, under section TR3.
- 3 Contact us using the phone number at the top of this letter to confirm if your tax return is correct.

### If you need to amend your Self Assessment tax return

Please make any changes by 31 January 2024.

For information on how to do this, go to GOV.UK, search 'Self Assessment corrections' and choose 'If you need to change your return'.

If you amend your Self Assessment tax return to include a distribution from your MVL:

- you may owe us tax, and interest on any tax that's paid late, and a penalty may be due – for ways to pay, go to GOV.UK and search 'Pay Self Assessment tax bill'
- we may open a compliance check or take any other corrective action, and we'll also consider penalties - for more information about penalties, go to GOV.UK and search 'inaccuracy penalties'
- we may owe you a refund – if so, we may repay the refund you are due, or credit your Self Assessment account.

### If you do not amend your return before the deadline, and we believe it's incorrect

We may open an enquiry after this date to check your return. We call this a compliance check.

It's your responsibility to make sure your Self Assessment tax return is completed correctly. If we carry out a compliance check and find that it's not correct, you may have to pay penalties.

For a factsheet about the penalties we can charge for inaccurate returns, go to GOV.UK and search 'CC/FS7a'.

### Why there's more than one tax rate to consider for MVL

New rules introduced in the Finance Act 2016 mean that some MVL distributions attract Income Tax rather than Capital Gains Tax (CGT).

This may happen when a company goes into MVL but the shareholder continues to operate, directly or indirectly, in the same or similar trade or business area. You may need to declare your MVL distribution as income.

For more information about this, go to GOV.UK and search 'ctm36305'

For capital gain distributions, you may be able to get Business Asset Disposal Relief if you meet the qualifying conditions.

## **Help and advice**

If you have any questions after reading this letter, you can:

- call us on 03000 516640 between 9am and 5pm, Monday to Friday - this line will close two months from the date of this letter
- email us at [responseteam3@hmrc.gov.uk](mailto:responseteam3@hmrc.gov.uk) - before you contact us by email, please read the enclosed factsheet 'Corresponding with HMRC by email'.

We cannot correct your tax return over the phone or help you work out if you owe CGT.

If you respond to this letter in writing, you may have to wait longer for a response.

## **Extra support**

If you need extra support, for example if you need information in a different format or need help filling in forms, go to GOV.UK and search 'Get help from HMRC if you need extra support'.

## **More information**

Go to GOV.UK and search:

- 'Capital Gains Tax' for more information about CGT
- 'Get help with Self Assessment returns' to find out how to fill in your SA return correctly
- 'Liquidate your limited company' for information on how to liquidate (or wind up) your company

If you contact us, we can deal with you more quickly if you quote our reference number and provide a daytime phone number.

Yours faithfully

## **Wealthy and Mid-Sized Business Compliance**

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to [www.gov.uk/personal-tax-account](http://www.gov.uk/personal-tax-account) Or you can use the HMRC app.

To find out about the service and standard of behaviour you can expect from us, go to [www.gov.uk](http://www.gov.uk) and search 'HMRC Charter'.



HM Revenue  
& Customs

## Corresponding with HMRC by email

Use the following information to decide whether you want to deal with us by email. We take the security of personal information very seriously. Email is not secure, so it's very important that you understand the risks before you email us. We will not deal with you by email unless you tell us you accept the risks of doing so.

### About the risks

The main risks associated with using email that concern HMRC are:

- confidentiality and privacy – there's a risk that emails sent over the internet may be intercepted
- confirming your identity – it's crucial that we only communicate with established contacts at their correct email addresses
- there's no guarantee that an email received over an insecure network, like the internet, has not been altered during transit
- attachments could contain a virus or malicious code

### How we can reduce the risks

We'll desensitise information, for example by only quoting part of any unique reference numbers. We can also use encryption. We're happy to discuss how you may do the same but still give the information we need.

### If you do not want to use email

You may prefer that we do not respond by email, for example because other people have access to your email account. If so, we're happy to respond by another method. We'll agree this with you either by telephone or in writing via post.

### If you do want to use email

If you would like to use email as one of the ways HMRC will contact you, we'll need you to confirm in writing by post or email:

- that you understand and accept the risks of using email
- that you're content for financial information to be sent by email
- that attachments can be used

If you are the authorised agent or representative we'll need you to confirm in writing by post or email that your client understands and accepts the risks.

Please also:

- send us the names and email addresses of all people you would like us to use email with - you, your staff, your representative, your agent, for example
- confirm you have ensured that your junk mail filters are not set to reject and/or automatically delete HMRC emails

### How we use your agreement

Your confirmation will be held on file and will apply to future email correspondence. We'll review the agreement at regular intervals to make sure there are no changes.

## **Opting out**

You may opt out of using email at any time by letting us know.

## **More information**

You can find more information on HMRC's privacy policy. Go to [www.gov.uk](http://www.gov.uk) and search 'HMRC Privacy Notice'.