

**Wealthy and Mid-sized Business
Compliance**
S1713
NEWCASTLE
NE98 1ZZ

Email otm-aia@hmrc.gov.uk

Web www.gov.uk

Date X February 2024

Our Ref

Dear Sir or Madam

Annual Investment Allowance claims and groups of companies

Company name:

UTR:

Why you've received this letter

HMRC are contacting customers to clarify the rules surrounding Annual Investment Allowance (AIA) and ensure they're fully aware of their tax obligations.

Restrictions on AIA applying to companies

Only a limited amount of AIA can be claimed each year. The maximum amounts of AIA that can be claimed has changed several times and are shown in the table below.

Corporate vehicles	Maximum AIA claimable
From 1 January 2019	£1,000,000
1 January 2016 to 31 December 2018	£200,000
1 April 2014 to 31 December 2015	£500,000

You can find the legislation we mention in this letter. Go to www.gov.uk and search 'legislation', this will bring up the webpage.

Some companies that claim AIA are:

- part of a group, as defined by S51C (6) and (7) Capital Allowances Act 2001 (CAA01)
- related to one another or controlled by the same person, as defined by S51E CAA01

If this is the case, they're only entitled to claim the maximum AIA amount between them. This means they can share the maximum AIA amount, but the cumulative total of their individual claims can't exceed the amounts shown above. If accounting periods are longer or shorter than a year, this may affect the limit of the AIA that can be claimed. For more information, see S51A (6) CAA01.

We think the above conditions apply to 'Company Name'.

For guidance about group AIA claims, go to www.gov.uk and search 'CA23088'.

The appendix enclosed with this letter has a list of companies we consider to be part of a group or related.

What you need to do now

Please check the AIA claim for the company named above for the accounting period ending .

We received this claim on .

When companies share an AIA maximum amount but submit individual claims, the AIA limit can be exceeded by mistake.

If you need to make an amendment

If you think there's a mistake on your tax return, or the return of another company within the group, please amend that return within 30 days of the date of this letter. To amend your return, you can:

- contact your tax adviser, if you have one, and ask them to amend it for you
- amend it yourself online – go to www.gov.uk and search 'Company returns'.

If you have to pay additional tax, you'll have to pay interest on any tax that you pay late. In some cases, if you've paid more than you should, we'll pay interest on any amounts we refund.

If you don't agree or need help

If you think the information we hold about your group is incorrect, please email us at otm-aia@hmrc.gov.uk. If you want to email us, please read the enclosed factsheet 'Corresponding with HMRC by email' and confirm the company's agreement to contacting us in this way. You also need to provide all the information we ask for in the section 'If you do want to use email'.

Please send this agreement to us by email, with your reply to this letter, to otm-aia@hmrc.gov.uk. You'll need to put 'Company Name' and 'Annual Investment Allowance' in the subject line of the email.

Alternatively, you can write to us using the address at the top of this letter. Please include the reference number shown at the top of this letter.

If you have an adviser that deals with your tax affairs, you may wish to show them this letter.

What happens if you don't amend your return or contact us

The action we take if you don't amend your return or contact us depends on the facts of your case. We may either:

- carry out a compliance check under Paragraph 24 (1) Schedule 18 of the Finance Act 1998
- make a correction under Paragraph 16 Schedule 18 of the Finance Act 1998

If we decide to carry out a compliance check and find something wrong, then you may have to pay a penalty.

For information about inaccuracy penalties, see factsheet CC/FS7a 'Penalties for inaccuracies in returns or documents'.

Factsheet CC/FS9 'The Human Rights Act and penalties' explains your rights when we're considering penalties.

To find our factsheets, go to www.gov.uk and search for 'CC/FS7a' and 'CC/FS9'.

If you contact us, please quote the reference number at the top of this letter and provide your contact details.

To find out what you can expect from us and what we expect from you, go to www.gov.uk and search for 'HMRC Charter'.

Yours faithfully

HM Revenue and Customs



AIA Claims for the Group or Associated Companies

A claim has been made for Annual Investment Allowance in the Company Tax return:

- for the period ending
- by the company named on page 1

This claim was for the amount of £ .

We have also received returns from the following entities who appear to be under the same control as that company.

Company name	Company Registration Number



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 and search for 'HMRC Privacy Notice'.

