

Your provisional Business Asset Roll-over Relief is due to expire

We're writing to you because your 2022 to 2023 Self Assessment tax return included a declaration of your intention to reinvest money you received from the disposal of one or more old assets into new assets. This meant that you obtained provisional Business Asset Roll-over Relief and the gain on the old asset was not charged to tax.

We've checked our records and haven't found a valid roll-over relief claim to replace the declaration, so the relief given is still provisional.

You can get provisional relief for a maximum of 3 years from 31 January following the tax year you disposed of the old asset. Your provisional relief for the tax year 2022 to 2023 is due to cease on 31 January 2027 after which tax on the gain will be payable unless you make a valid claim for relief.

If you no longer intend to make a claim

If you no longer intend to reinvest or have realised that the old asset won't qualify for relief and so you won't be making a claim, you can reduce the interest you'll have to pay if you let us know. We'll then assess the amount of tax you owe and charge interest from the date the tax was originally due to the date you pay it.

What you need to do by 31 January 2027 to avoid us charging you tax unnecessarily

- If you've already reinvested or do reinvest by 31 January 2027 and meet the conditions for relief, please send us your claim as soon as possible, but no later than 31 January 2027.
- If you don't reinvest by 31 January 2027 but at that date, you're in the process of doing so, contact us to tell us when you expect to send us your claim.

Making a claim

Any claim you make must include the:

- old assets you disposed of
- amount you received for each asset
- date you sold each asset
- new assets you've acquired
- cost of each new asset
- date you acquired each new asset, or entered an unconditional contract to acquire them
- amount from the disposal of each old asset you used to acquire each new asset
- amount of relief due – this is the amount of the gain you're deferring

You must sign the claim and state that the particulars in it are correct and complete to the best of your knowledge and belief and send it to the contact details on this letter.

You can make a claim up to four years from the end of the tax year in which the disposal of the old asset or acquisition of the new asset took place – whichever is later.

If you've reinvested more than one year before or three years after you disposed of the old asset, you must meet the relevant criteria. You can find more information on this and Business Asset roll over relief by going to GOV.UK and searching 'HS290'. You should include your reasons and details with your claim. We'll also need to know how all other conditions for relief are met.

If you don't make a valid claim by 31 January 2027

We'll assess the amount of tax we think you owe on the disposal of the old asset. We'll charge interest from the date the tax was originally due to the date you pay it.

If you've contacted us before 31 January 2027 to advise there will be a short delay in making the claim because reinvestment has only recently taken place, or will take place soon after 31 January 2027, we will delay making the assessment to allow reasonable time for you to make the claim. We will not delay making an assessment indefinitely and if we do make one this will not stop you from making a claim.

If you make a claim after we've issued the assessment, and you've already paid some of the tax, we'll repay the relevant amount with interest unless we open an enquiry into the claim and don't agree the relief is due.

More information

For more information, go to GOV.UK and search:

- 'HS290', for guidance relating to Business Asset Roll-over Relief and optional claim form
- 'CG60250C' for guidance on Business Asset Roll-over Relief
- 'Pay your Self Assessment tax bill' for guidance on payment options for your Self Assessment tax bill

Contacting us

We can't take claims for relief over the phone - you must send them in writing, by email or letter.

It'll take us longer to respond if you send a letter rather than an email. But before you email us, please read the enclosed factsheet 'Corresponding with HMRC by email'.

If you still have questions after reading the guidance, you can:

- phone XXXX - our phone lines are open from XXX to XXX, Monday to Friday
- email us at XXX@hmrc.gov.uk - before you email, please read the enclosed factsheet 'corresponding with HMRC by email'

If you've authorised us to deal with an agent, we've sent them a copy of this letter. You may want to discuss it with them.

If you don't have an agent, you may want to seek professional advice.

Yours sincerely

Wealthy & Mid-Sized Business Compliance

HM Revenue and Customs

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 Or you can use the HMRC app.

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'.