

Understanding pre-notification and the impact on your business

In the past few months, the landscape of R&D tax relief claims in the UK has undergone significant changes. Several reforms to the claim submission process were introduced by HMRC to streamline the process of claiming, in an attempt to tackle abuse and improve compliance.



One of the changes was the introduction of a pre-notification requirement, which means companies must now notify HMRC of their intentions to claim prior to making the submission. The aim of this new rule is to prevent last-minute 'speculative' claims made after the relevant accounting year.

1. WHAT IS PRE-NOTIFICATION?

HMRC recently confirmed that for accounting periods beginning on or after 1 April 2023, companies considering applying for R&D tax relief will need to give advanced notification of their intention to claim within six months of the period-end for which they are planning to submit a claim.

The notification can be submitted by either a representative of the company or an agent acting on behalf of the company.

Pre-notification will only apply to new claims or companies that have not yet made an R&D tax relief claim during the three previous years.

If the company regularly claims R&D Tax Relief, there is an expectation from HMRC that they will make a claim every year, or every two years, so in theory, they shouldn't need to notify.

2 - WHAT ARE THE RISKS IF YOU DON'T COMPLY?

HMRC have confirmed that if the 'Advance Notification Form' is needed but not completed, this renders the R&D claim invalid and, if shown in the corporate tax return, it will be removed by HMRC as an "error".

THIS AMENDMENT CANNOT BE REJECTED, AND A NEW CLAIM RELATING TO THE SAME EXPENDITURE AS THE ORIGINAL CLAIM, CANNOT BE MADE.



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Visiativ identified projects that qualified for R&D tax credits that I hadn't been aware of, which was hugely beneficial for ACUTENSION. The R&D tax benefit we received was a huge benefit to our company. It enabled us to reinvest in our business to establish the differentiation we require to stand out from the competition.

| PHIL JARVIS
| DIRECTOR
| ACUTENSION LIMITED

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It's now vitally important that your submissions are fully compliant and eligible at this first review stage, or you will likely lose your right to submit a claim. It is also imperative that sufficient granularity can be provided to not only support the R&D claim, but also to reassure HMRC that the costs will be compiled correctly.

3 - PRE-NOTIFICATION CHECKLIST

To ensure your company doesn't fall foul of the new pre-notification requirement for R&D tax relief claims, the claim notification form should contain the following:

- The company's unique taxpayer identification (UTR)
- The main internal R&D contact person in the company overseeing the R&D claim.
- The contact details of any agent assisting with the R&D claim.
- The start and end dates of the accounting period for which you're claiming tax relief or expenditure credit.
- The accounting period's beginning and end dates.
- A summary of the key planned projects, demonstrating how these activities align with the standard definition of R&D.

WE CAN HELP

Navigating the evolving rules and regulations of R&D tax relief claims can be complex, but you don't have to go it alone.

At Visiativ we can help your company manage the entire process, from identifying eligible projects to pre-notification and claim submission. Our expert team can help you maximise your tax relief benefits while ensuring full compliance with HMRC requirements.

If you have any questions relating to R&D tax relief or wish to discuss the implications of recent changes to the R&D tax relief scheme on your own claims, please get in touch with VISIATIV.

- **Call:** 0330 660 0620
- **Email:** consulting@visiativ.co.uk
- **Or visit:** www.visiativ.co.uk

About VISIATIV

Visiativ is a professional services and consulting business, dedicated to helping UK companies accelerate and fund their innovation and digital adoption strategies. We enable innovation for our clients through a combination of funding, technology and digital adoption products and services, empowering employees and transforming businesses.