DPT timeline

3 months: Notification

The Company must notify HMRC if it is potentially within the scope of DPT within 3 months of the end of the accounting period. Failure to notify triggers a taxgeared penalty.

6 months: Trueup interest

This forms part of the tax charge. It begins 6 months from the end of the accounting period and ends on the day that the charging notice is issued.

+30 days: Representations

The Company has 30 days from issue of the notice to make representations but grounds are limited to computational aspects of the rules.

+30 days: Payment

DPT (plus trueup interest) must be paid within 30 days of issue of the charging notice. There are no grounds for postponement. Late payment triggers interest and penalties.

+30 days: Appeal

The Company can appeal against the charging or supplementary charging notice within 30 days of the end of the review period.

Year end

2 years: Preliminary notice

HMRC may issue a preliminary notice of chargeability within 2 years of the end of the accounting period (4 years if no notification).

+30 days: Charging notice

HMRC have 30 days from the end of the representation period to either issue a charging notice or confirm that no notice will be issued. This is an initial estimated DPT charge based on an estimation of diverted profits. True-up interest period ends.

+12 months: Review period

HMRC have 12 months from the relevant payment date to carry out a review and may issue an amending notice or a supplementary charging notice up until 30 days before the end of the review period. Any additional DPT is payable within 30 days.