



The Insolvency
Service

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DEAR INSOLVENCY PRACTITIONER
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Dear Reader

Please find enclosed the latest articles by the Insolvency Service and HMRC.

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28) Recording tax and national insurance – preferential dividends

There may be times when you need to record tax and national insurance due on a preferential dividend paid to the former employees of an insolvent entity. For example:

- holiday pay.
- arrears of pay arising before the date of insolvency.

Please help HMRC ensure these payments are allocated correctly by setting up a new PAYE scheme:

- contact HMRC to set up the scheme only when you are ready to make the payments.
- once the employments cease, please ensure HMRC receives a final Full Payment Submission (FPS) with a cessation date. This will prevent any reminder or late penalty notices being issued, should the scheme remain inactive.

How do I set up a PAYE scheme?

Contact HMRC's Employer Helpline on 0300 2003200.

Tell the advisor you need to set up an **EPA scheme** – they will ask you for the following information:

- the name and national insurance number (NINO) of directors, if available.
- your phone number and email details.
- address of your registered office.
- any other correspondence addressed HMRC may need to note for you.
- date of the first pay day.

The advisor will then ask some more questions and tell you what you will receive and when.

Making additional payments

If you need to make additional payments after the final FPS has been submitted, please contact HMRC's Employer Helpline who can arrange for the scheme to be restarted.

This can only be done:

- in the same tax year as the date of cessation, or
- in the next tax year after the date of cessation.

29) Update – Introduction of electronic banking for Insolvency Practitioners making dividend payments

HMRC's previous article, in April 2020, has caused some of you a little confusion and although payments have gone to the right place, this update is being issued to provide clarification. Please accept HMRC's apologies for any confusion caused.

Payment reference number

The unique case reference number can be found on HMRC's claims. You'll need to use this 13-character payment reference when you pay. This is the customer's 10-digit unique case reference number, followed by a three-letter suffix to show the type of insolvency the dividend refers to. The following table details the dividend types and their unique three-letter suffixes:

Dividend Type	Suffix
Individual Voluntary Arrangement	IVA
Sequestrations	SEQ
Trust Deeds	TRD
Irish Bankruptcy	IBY
Members Voluntary Liquidations	MVL
Company Liquidation Cases	LIQ
Individual Bankruptcy or Partnerships	BKY
Company Voluntary Arrangement	CVA
Partnership Voluntary Arrangement	PVA
Administration	ADM

Note: HMRC unique case reference numbers start with 623 or 075 or 880 followed by seven digits.

Example 1:

Reference number from claim: **623/1234567**

Dividend type: Individual Voluntary Arrangement

Payment reference: **6231234567IVA** (13 characters)

Example 2:

Reference number from claim: **075/7654321/XXX**

Dividend type: Members Voluntary Liquidation

Payment reference: **0757654321MVL** (13 characters)

Example 3:

Reference number from claim: **880/1357911/XXX 26 VA**

Dividend type: Administration

Payment reference: **8801357911ADM** (13 characters)

Please contact HMRC if you are unsure how to use the reference format, or the claim doesn't have a reference number.

12) Call for papers: Insolvency Research and Technical Conference

The Insolvency Service is launching a new ‘Academic Research and Technical Conference’ and we’re inviting interested parties to submit papers.

The conference – with a working title ‘**Forward Thinking: Insolvency strategies for a post-pandemic economy**’ – will take place on 19 November 2021 and the purpose is to:

- provide a platform for current insolvency research and technical discussion.
- facilitate a stronger link between academia, the insolvency sector and policy-makers.
- encourage comment and feedback from interested parties.

We are inviting Insolvency Practitioners to participate by submitting for presentation at the conference:

- an academic research paper, or
- a technical issue relating to insolvency practice.

Full details on how to make a submission can be found here:

www.gov.uk/government/news/call-for-papers-insolvency-research-and-technical-conference

To register your interest in attending the conference as a delegate please email keverne.howell@insolvency.gov.uk

If you have any queries, please contact Laura Bardsley
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