



HM Revenue
& Customs

**Wealthy and Mid-Sized Business
Compliance**

HM Revenue and Customs
BX9 1BN

[Customer name from spreadsheet](#)
[Customer address & postcode from spreadsheet](#)

Phone 03000 579 222
Monday to Friday, 9am to 5pm

Email Responseteam@hmrc.gov.uk

Web www.gov.uk

Date [SEES date](#)
Our ref [Reference from data file](#)

Dear [\[title and surname from spreadsheet\]](#)

Please check your Business Asset Disposal Relief claim

We're writing to you because you included a Business Asset Disposal Relief (BADR) claim in your 2023 to 2024 Self Assessment return. BADR was previously known as Entrepreneurs' Relief.

Our records show that you've exceeded the lifetime limit of £1 million prior to submitting your latest Self Assessment return. This means your claim is unlikely to be accepted and you'll need to pay tax on the capital gain at the normal Capital Gains Tax rates.

The limit was reduced from £10 million to £1 million on 11 March 2020. If you have already claimed £1 million or more before this date, you have already reached your limit. This means you will not be able to claim any future BADR.

To find out more information on BADR, go to GOV.UK and search 'HS275 Business Asset Disposal Relief'.

What you need to do now

You need to amend your 2023 to 2024 Self Assessment return to remove your claim for BADR.

Please make this amendment by [\[SEES to insert date 30 days ahead\]](#).

To amend your Self Assessment return, go to GOV.UK and search 'Self Assessment tax returns'. Then choose 'If you need to change your return'.

Due to the change to your Self Assessment return, it's likely that additional tax will be due.

If you do owe us tax, we'll charge interest on any tax that's paid late. Go to GOV.UK and search 'pay your Self Assessment tax bill' for more information.

If you think you haven't exceeded your limit

If you think your current claim is correct and you haven't exceeded your lifetime limit of £1 million, please contact us. Our contact details are shown at the top of this letter. We will consider any information you give us.

If you don't contact us or amend your Self Assessment return

If you don't contact us or amend your Self Assessment return by [\[SEES to insert date 30 days ahead\]](#), we might amend your Self Assessment return ourselves. Or we might open an enquiry, also known as a compliance check.

If our compliance check shows that additional tax is due, interest will need to be paid on any overdue amounts.

If your return is incorrect, we may charge you a penalty. For more information about inaccuracy penalties, go to GOV.UK and search 'CC/FS7a'.

If you help us when making a disclosure, we can reduce the amount of any penalty we charge you.

We can reduce penalties if you:

- tell us everything you can about any mistakes as soon as you know about them.
- let us know if you haven't told us about something which could affect your tax.
- do everything you can to put things right.

Please remember, it is your responsibility to make sure your Self Assessment return is complete and correct.

For help and advice

If you need help filling in your Self Assessment return, go to GOV.UK and search 'help with Self Assessment'.

If you still have questions after reading the guidance, for example, you want to know how to make a payment, you can:

- phone us on 03000 579 222 between 9am and 5pm, Monday to Friday - this phonenumber will close two months from the date of this letter
- email us at Responseteam@hmrc.gov.uk

If you contact us by email, please read the enclosed factsheet 'Corresponding with HMRC by email' first.

Please note that:

- we can't correct your tax return over the phone or help you work out if you owe Capital Gains Tax
- it might take us longer to reply to you if you send us a letter rather than an email

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

You can get help from HMRC if you need extra support, for example if you need information in a different format or need help filling in forms. Go to GOV.UK and search 'Get help from HMRC' if you need extra support.

If you contact us, we can deal with you more quickly if you quote our reference number and give us your contact details.

Yours sincerely

Wealthy & Mid-sized Business Compliance

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 GOV.UK and search 'personal tax account'. Or you can use the HMRC app.

To find out about the service and standard of behaviour you can expect from us, go to GOV.UK and search 'HMRC Charter'.



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.

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 'HMRC Privacy Notice'.