

### **Enforcement of Judgments in litigation – HMRC policy from 1 April**

HMRC have announced a new policy aimed at increasing the consistency of tax collection in cases where a Tribunal or court has found against a taxpayer but there is a further appeal. HMRC explain that currently, in the event of a taxpayer win, they have to repay overpaid taxes before the appeal is heard before the higher courts. However, where the Judgment is in favour of HMRC, they do not consistently collect the taxes from the taxpayer before the appeal. The new policy will require the payment of taxes in all cases and will take effect in relation to all decisions made by the Tribunals or courts from 1 April 2010.

Where the appeal is in relation to VAT, excise, environmental taxes and other indirect taxes, HMRC go on to say that the taxpayer may apply for the tax to be held over if they feel they would suffer hardship by being forced to pay the tax before the appeal. In addition, HMRC will not enforce payment where this would lead to the bankruptcy or liquidation of the taxpayer.

To read HMRC's announcement in full, click [here](#).

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