

<b>Guidance note 9.4</b>	Guidance for Scottish EBs on the closure of the LCF in Scotland
<b>What this guidance covers</b>	This guidance note provides information for EBs based in Scotland on their additional reporting obligations during the transitional period following the closure of the LCF in Scotland, and the options available at the end of that transitional period.
<b>Date of issue</b>	13 July 2015
<b>Date this guidance comes into effect:</b>	13 July 2015
<b>Any guidance now superseded:</b>	None

For further information please see [our website](#) or contact our Registrations team on 01926 488300.

## **9.4 Guidance for EBs in Scotland following the closure of the LCF in Scotland**

### **9.4.1 Background**

- i. ENTRUST is the regulator of the Landfill Communities Fund (LCF), an innovative tax credit scheme, governed by the Landfill Tax Regulations 1996 (the Regulations). The LCF enables Landfill Operators (LOs) to contribute money to organisations enrolled with us as Environmental Bodies (EBs) to carry out approved community and environmental projects.
- ii. By virtue of provisions in The Scotland Act 2012, responsibility for the collection and administration of Landfill Tax in Scotland was devolved to the Scottish Government on 1 April 2015. This affects the LCF which also ceased in Scotland from 1 April 2015.
- iii. There is a two year transitional period to enable LCF projects in Scotland to be completed and for all remaining LCF funds in Scotland to be spent. The transitional period runs from 1 April 2015 to 31 March 2017. EBs can continue to register projects in Scotland with ENTRUST during the transitional period but all projects in Scotland must be completed by 31 March 2017.

### **9.4.2 Purpose of this guidance note**

- i. This guidance note provides guidance for Scottish EBs on additional reporting obligations during the transitional period, and how EBs in Scotland will be affected if they continue to hold LCF monies after the end of the transitional period.

### **9.4.3 Additional reporting obligations during the transitional period for all EBs in Scotland which hold LCF monies**

- i. Please note that this part of the guidance only applies to EBs based in Scotland which:
  - held a balance of LCF monies as at 31 March 2015, or
  - received a contribution of “old” monies during the transitional period, or
  - received a transfer of “old” monies during the transitional period.

[Our guidance on the definition of “old” monies can be found here.](#)

- ii. All EBs, including all EBs in Scotland, must continue to submit a statutory Annual Return by 28 April each year. This remains the case even after the end of the transitional period. EBs which do not wish to retain this obligation should seek voluntary revocation from the LCF.

### **Additional reporting in relation to LCF monies held**

- iii. In order to oversee the orderly and effective closure of the scheme in Scotland we are introducing additional reporting requirements for EBs based in Scotland who hold LCF balances during the transitional period.
- iv. In order to minimise the administrative burden on EBs, the additional reporting will be based on the existing Annual Return procedure via EOL. EBs should submit an interim Annual Return via EOL in the same manner as the statutory Annual Return. We will send a reminder to all EBs who will need to report to us before the reporting deadline. Any EB which is required to file an interim report but which is not yet registered to use EOL should contact our Registrations team (on 01926 488 300) to register for EOL or to request a paper copy of Form 4.
- v. Once EBs who need to make an interim return have submitted their interim returns, we will collect the data and then the interim returns will be un-reconciled to enable EBs to continue to report project completions until the next interim reporting deadline. EBs should ensure they meet the reporting deadlines (set out below) to minimise the period when Annual Return forms will be unavailable.
- vi. The additional reporting should be undertaken by EBs on the following dates:

<b>Date report required</b>	<b>Period covered by report</b>
14 October 2015	1 April 2015 to 30 September 2015
14 October 2016	1 April 2016 to 30 September 2016
14 December 2016	1 April 2016 to 30 November 2016
14 January 2017	1 April 2016 to 31 December 2016
14 March 2017	1 April 2016 to 28 February 2017

- vii. These reports are in addition to the statutory Annual Return which EBs must continue to submit by 28 April each year.

### **9.4.3 EBs in Scotland which hold LCF monies from 1 April 2017**

- i. Please note that this part of the guidance only applies to EBs based in Scotland. It does not apply to EBs in England, Wales or Northern Ireland.

### **EBs based in Scotland which have approved LCF projects in England, Wales or Northern Ireland**

- ii. From 1 April 2017, a Scottish EB which will continue to operate in the remainder of the UK may hold LCF monies to spend on LCF projects in England, Wales or Northern Ireland. Such an EB may also spend LCF monies on its running costs which are attributable to the management of LCF projects in England, Wales or Northern Ireland.

### **EBs based in Scotland which do not have approved LCF projects in England, Wales or Northern Ireland**

- iii. An EB based in Scotland which does not have an approved LCF project in England, Wales or Northern Ireland in place on 1 April 2017 will be assumed not to continue to operate under the LCF.
- iv. A Scottish EB which is assumed not to be continuing will not be able to hold LCF monies after 31 March 2017.
- v. From 1 April 2017, where an EB in Scotland, which does not have one or more approved LCF projects in England, Wales or Northern Ireland, holds LCF monies, HMRC will clawback the relevant amount from the LO which funded that EB.

### **Revocation of EBs based in Scotland**

- vi. All EBs (including those in Scotland which are assumed not to continue to operate) will continue to be enrolled with ENTRUST unless and until they seek voluntary revocation from the LCF.
- vii. It continues to be a regulatory requirement that every enrolled EB should submit a statutory Annual Return to us by 28 April each year. This includes enrolled EBs in Scotland, even if those EBs no longer have any LCF monies and do not have any LCF projects in England, Wales or Northern Ireland. EBs which do not wish to retain the obligation to submit an Annual Return should seek voluntary revocation from the LCF.
- viii. EBs in Scotland which will not manage projects in England, Wales or Northern Ireland will not be able to hold LCF monies from 1 April 2017 and so will not be able to use LCF monies to meet the costs of preparing or submitting a LCF Annual Return.
- ix. Forms to request voluntary revocation are available on our [website](#).