



HM Revenue & Customs

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Date 28 October 2015
Our ref 00824007RF

Dear Ms McAlister

Magnolia Trustee Scheme

Thank you for your letters of 27 August 2015, in which you appealed against HMRC's decision not to register the above pension scheme.

Your application was rejected because the information requested in our notice of 20 June was not provided by the requested date of 4 August. I have now considered the additional information you provided with your letters. Whilst you have now complied with the information notice, I do not agree the scheme should be registered.

One of the proposed investments is class "A" preference shares issued by Magnolia SPV Ltd, the principal employer. As the amount of investment being suggested exceeds the maximum percentage allowed by section 180 (5) Finance Act 2005, regarding the limits on shares in sponsoring employer companies, this would result in an unauthorised payment charge on the employer.

Section 153(5) allows HMRC to refuse to register a scheme if it appears that any information contained in the application is incorrect, or any declaration accompanying it is false.

If you do not agree with my decision, you can either

ask for my decision to be reviewed, or
notify your appeal to an independent tribunal

within 30 days of this letter.

Review

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



An HMRC Officer who has not previously been involved in the case will carry out a review of my decision. You will have the opportunity to provide further information or reasons in support of your case. The review officer will write and tell you the outcome of the review. If you opt for a review you can still appeal to the tribunal after the review has finished.

Appeal to Tribunal

If you do not want a review you can notify your appeal to an independent tribunal who will decide the matter.

What to do now

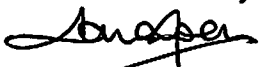
If you would like us to carry out a review, write to me at the above address within 30 days of the date of this letter and I will arrange for an independent review.

If you want to notify your appeal to the tribunal you must send your appeal to the Tribunals Service within 30 days of this letter.

You can find further information about appeals and reviews on the HMRC website <http://www.hmrc.gov.uk/dealingwith/appeals.htm> or you can phone the number on this letter. You can find out more about tribunals on the Tribunals Service website www.tribunals.gov.uk/tax or you can phone them on 0845 223 8080.

If you contact us, we can deal with you more quickly if you quote our reference number and provide a daytime phone number.

Yours sincerely



David Roper
Pensions Risk

To find out what you can expect from us and what we expect from you go to www.gov.uk/hmrc/your-charter and have a look at 'Your Charter'.