

OTR2.9 Making an Election

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Updated May 2017 – addition to Section 1 (making multiple elections on one year)

This guidance is part of the [OTR Part 2 toolkit – Running a production company](#) and focusses on how to make an election for your concerts with HMRC for the purposes of claiming OTR.

Other guidance available in this tool kit:

- 2.6 Guidance: Running a production company
- 2.7 Template: Agreement Parent Organisation & Production Company (England and Wales)
- 2.7a Template: Agreement Parent Organisation & Production Company (Northern Ireland)
- 2.7b Template: Agreement Parent Organisation & Production Company (Scotland)
- 2.8 Guidance: Notes to accompany the agreement (England, Wales and Northern Ireland)
- 2.8a Guidance: Notes to accompany the agreement (Scotland)
- 2.10 Sample: Timeline for an OTR year
- 2.11 Template: Transfer of Stock

Definitions

Throughout this document when you see:

- **Parent organisation** – we mean your music group – your existing organisation, whatever structure that may have
- **Production Company** - we mean the new company we recommend you set-up to produce concerts for you parent organisation and claim OTR.

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1. **What is an Election and why make one**

If you are planning just one concert in your production company's financial year, then you do not need to make an Election.

An Election is a way for you to group together all the concerts you are planning in the production company's financial year into one 'trade'. That means you can claim for them all

together in one claim at the end of the year, instead of having to submit a separate claim for each concert. We recommend you do this, to ease the admin (for you and for us).

However, if you cannot make an Election, or not for all the concerts in one year, because, say, your venue is not confirmed by the date of your first concert in the series or you add a concert after the election has been made, then you can of course claim for each concert separately or indeed make a new Election.

The Election should reflect the concerts commissioned from the production company in one contract. Ideally, both contract and Election align with the production company's financial year.

2. How, where, when and who to submit an Election

HOW:

To make an Election to HMRC your production company must **inform HMRC in writing (email is fine)** that it 'elects' to treat all concerts in a series (i.e. all concerts due to happen in the production company's financial year, for instance, or at least two concerts) as one 'trade'.

WHERE:

Email your Election to:

creative.industries@hmrc.gov.uk

Please note: You will get a response from the **Creative Industries Unit of HMRC acknowledging receipt** of the Election. That response does NOT mean they approve the Election in any way – it is not reviewed at that point and the acknowledgement is just that: acknowledging receipt.

WHEN:

The latest date for you to submit an Election for a series of concerts is the day before the first concert in the series. You can submit it much earlier.

WHO:

The Election must be **in the name of the production company (not the parent organisation)**.

3. What needs to be included in an Election

Must include details for each concert:

- Date
- Venue
- Whether or not the concert meets the qualification requirements
- Must not include something which isn't an orchestral concert (see OTR Part 1- [Eligibility Flowchart](#))
- But it can include an orchestral concert that isn't a qualifying concert (see Eligibility Flowchart), provided the number of non-qualifying orchestral concerts are in a minority (not more than 25% has been suggested to us as a guideline). The reason for including such a non-qualifying orchestral concert would be that then you could still claim against the costs of such a concert.

Things to be aware of:

- Once you have made an Election **it cannot be changed**.
- However, if one of the concerts doesn't happen, for whatever reason, that is not a problem.
- But **you cannot add a concert** to an Election at a later stage.
- However, you can claim for that concert as a separate 'trade' if you wish

We hope you find this Making Music resource useful. If you have any comments or suggestions about the guidance, please [contact us](#). Whilst every effort is made to ensure that the content of this guidance is accurate and up to date, Making Music do not warrant, nor accept any liability or responsibility for the completeness or accuracy of the content, or for any loss which may arise from reliance on the information contained in it.