

# ARE YOU AT RISK OF A HMRC TAX INVESTIGATION?



## ANYONE WHO SUBMITS A TAX RETURN FACES A REAL THREAT

Every year, HMRC investigates hundreds of thousands of individuals and businesses in the UK. It has the powers to do this at random, at any time, and everyone is at risk. Even if you have done nothing wrong, you are still at risk of an investigation, which can take many months and cost thousands of pounds.



Our tax investigation service can help.

# WHAT DOES OUR SERVICE COVER?

With our tax investigation service, you can enjoy the peace of mind that comes from knowing you're protected. Not only does it cover the cost of an investigation, it enables us to provide expert advice and guidance to you in the event of an enquiry.

Our tax investigation service is supported by a policy from the UK's leading tax investigation insurance providers – Professional Fee Protection which we have taken out in our own name. This enables us to manage your case for as long as your HMRC tax investigation takes, up to the policy limit.

## YOUR SERVICE SUMMARY

With our service, you are protected for fees we incur in your defence of up to £100,000 (unless otherwise indicated) if you become subject to the following events.

- **Full enquiry:** This is an extensive examination that considers the whole self-assessment tax return, including a comprehensive HMRC review of all books and records underlying the entries made on the return. It will also feature the issue of a notice under S9A/S12AC TMA 1970 or paragraph 24(1) Schedule 18 FA 1998.
- **Aspect enquiry:** This is where HMRC enquires into one or more aspects of a self-assessment tax return – possibly asking for clarification of particular entries or a more detailed consideration of whether those entries have been treated correctly for tax purposes. It may involve a check on the records on which particular entries are based. It will also feature the issue of a notice under S9A/S12AC TMA 1970 or paragraph 24(1) Schedule 18 FA 1998.
- **VAT and employer compliance visits:** HMRC may carry out a routine PAYE/VAT compliance visit where it is agreed that professional representation is necessary and the matter can't be managed by the client alone. This includes business record checks. The limit of indemnity for this cover is £1,000.
- **Pre-dispute cover:** This applies where it is considered necessary to involve us following a routine inspection or compliance visit by HMRC. The limit of indemnity for this cover is £1,000.
- **VAT disputes:** This is a challenge by HMRC to the accuracy or completeness of returns submitted. It usually involves a disagreement over the way in which VAT has been operated and amount of VAT owed.

- **PAYE and NIC disputes:** A challenge by HMRC to the accuracy or completeness of returns submitted in accordance with PAYE regulations. It usually involves a disagreement over the way in which PAYE has been operated and over the amount of PAYE or NIC owed.
- **IR35 disputes:** This is where HMRC states a client should be subject to the IR35 legislation following a PAYE compliance visit or the issue of a notice under paragraph 24(1) Schedule 18 FA 1998. It usually involves a disagreement over whether this legislation applies.
- **Business inspection notices:** This is where HMRC exercises their power to request entry to a person's business premises to inspect the office, assets, goods and documents. It features the approval of an 'Authorised Officer' of HMRC and the issue of an inspection notice for a short notice or unannounced visit, or where the proposed inspection has been approved by the First-Tier Tribunal.
- **Code of practice 8 investigations:** This is where HMRC Special Investigations launch an enquiry and issue a Code of Practice 8 Booklet. The limit of indemnity for this cover is £5,000.
- **Application for a judicial review:** This is an application during the course of a valid claim under the policy to the Administrative Court to challenge a decision of an official where no other legal recourse is available to the applicant. The limit of indemnity for this cover is £5,000.
- **Partners/directors/secretary and spouse cover:** Where a partnership or limited company joins our tax investigation service we may make a claim in the event of an aspect or full enquiry into the personal returns of the partners and directors and their spouses, and company secretaries. This automatic cover will not extend to rental income in excess of £50,000 per annum (before expenses) or any other business activities.
- **Interventions cover:** This is where HMRC issues a letter or make a phone call seeking to obtain clarification on particular points without the issue of a statutory notice, and not dealt with or excluded under any other section of the policy. The limit of indemnity for this cover is £1,000.

## IS ANYTHING NOT PROTECTED?

There are some things that our service doesn't cover – full details are available on request.

- The cost of making good any deficiencies in books, records, accounts or returns.
- Claims that originate from any matter that existed before the first period of insurance, except where full disclosure has been made and the increase in risk has been accepted in writing.
- Minimum wage, Student Loans, CIS and Tax Credit Enquiries.
- Returns that have been submitted more than 90 days late.

# Top 5 reasons for using the service

- 1) HMRC has raised an extra £9 billion over the last 3 years
- 2) HMRC doesn't need a reason to launch an enquiry
- 3) Anyone who submits a tax return can be investigated
- 4) It can cost thousands of pounds to deal with an enquiry
- 5) The vast majority were not caused by suspicion or fraud so many innocent taxpayers and businesses were chosen even though they had done nothing wrong



*"HMRC is continually embarking on new ways to target you using a range of approaches and new technology. We are constantly vigilant and we stay up to date with the latest advances, but you are still at risk of an investigation at any time."*

*"Taking out a subscription to our service means that our fees are one less thing for you to worry about"*

**Rob Lamey FCCA - Director**

## Contact us...

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**Scan here to visit our tax investigation microsite**

