

TAX

Tax Amnesty for Offshore Savings



Individuals with unpaid taxes linked to offshore accounts or assets are being given a second and final chance to settle their tax liabilities at a favourable penalty rate.

Under the Offshore Disclosure Facility (ODF), people who make a complete and accurate disclosure between 1 September 2009 and 12 March 2010 will qualify for a 10% penalty. Those who do not take this opportunity and are subsequently found to have undeclared tax liabilities are likely to face a 30% or higher penalty. They also run an increased risk of criminal prosecution.

7. Once this disclosure window closes on 12 March 2010, those who have not come forward but are found to have unpaid tax liabilities will face penalties of at least 30% rising to 100% of the tax evaded. They also run a risk of criminal prosecution

1. To use the new opportunity a notification of the intention to disclose must be made to HMRC in the period 1 September to 30 November 2009.
2. Those notifying on paper can do so from 1 September to 30 November.
3. Those notifying electronically can do so from 1 October to 30 November.
4. Disclosures can then be made on paper from 1 September 2009 to 31 January 2010, electronically from 1 October 2009 to 12 March 2010.
5. The penalty rate of 10% will apply to those who were not written to by HMRC under the Offshore Disclosure Facility in 2007.
6. Those to whom HMRC wrote to in 2007 offering the 10% rate but did not complete the Offshore Disclosure Facility procedure and now want to disclose will have an opportunity to do so with unpaid tax attracting a penalty of 20%, which is more favourable than normal whilst demonstrating that special rates once declined are unlikely to be repeated.

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