

Tax investigation protection.

Don't gamble with the taxman

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shipleys LLP

Could this be you?

HMRC opened an enquiry into an individual investigating a recent Tax Return. Almost a year after the enquiry opened, HMRC accepted the figures declared on the original Return. The professional defence fees amounted to almost £30,000. Without tax investigations protection, the client would have been forced to foot the bill to prove their innocence.

A business was investigated for almost two years after HMRC started a full review of the business records and looked into a number of technical matters, including the director's loan account. Additional tax payable was only £200. Fees to reach settlement exceeded £5,000. Without tax investigations protection, the client would have settled sooner and paid a lot more tax.

“Tax investigations protection is just as important as protecting our business from unpredicted buildings, contents or car damage. The annual fee is small in comparison to the cost of an investigation so it is definitely worth having.”

Our fee protection service will meet the cost of our fees to defend your position in the event of an HMRC compliance check. The cost of protecting against such financial losses is a fraction of the likely costs incurred during an enquiry.

The average HMRC enquiry lasts 19 months. The cost of professional fees to defend an HMRC enquiry often exceeds £5,000!

Our fee protection package offers:

- Full representation to HMRC on your behalf including handling all correspondence and interaction, including attending any 1-1 meetings
- Comfort and peace of mind that we will fiercely defend any enquiry into you or your business

Reasons an enquiry may be triggered.

- One of HMRC's strategic objectives is to reduce the tax gap which stands at £33bn. A big chunk of the uncollected tax is attributed to SMEs and wealthy individuals failing to pay the correct amount, hence the additional investment.
- The Mortgage Verification Scheme enables mortgage lenders to check an applicant's financial details with HMRC. If the income details declared on the mortgage application differ to the information held by HMRC, an enquiry is a strong possibility.
- Card payment processors who handle credit and debit card transactions have to provide HMRC with reports of sales made. HMRC checks this information against the turnover declared by retail businesses, not just to verify the amount of card income, but to gauge how much cash is being declared by the business.
- Over 80,000 reports are made to HMRC's tax evasion hotline each year from jilted partners, wives and husbands, as well as disgruntled former employees and jealous business competitors.
- Over £1bn has been collected so far from campaigns focused on doctors, plumbers, electricians, landlords and online traders. HMRC have also subjected smaller businesses including painters and decorators, driving instructors, taxi drivers and pharmacists to benchmarking.
- HMRC selects a proportion of enquiries at random every year and this year could be you.

Round-the-clock legal support.

Businesses that subscribe to our fee protection service have access to a team of qualified solicitors and barristers for employment law, health and safety matters and commercial issues. A legal expert is only a phone call away and, most importantly, the advice is:

- **Free with unlimited calls**
- **In plain English**
- **Open 24/7, 365 days a year**



Don't put your business at risk – the law changes constantly and the helpline ensures that you have the right support when you need it most.

HMRC continue to develop and harness more sophisticated technological capabilities; the risk of an enquiry is a reality.

Access to your personal and business finances is more readily available to HMRC, giving greater transparency into your financial affairs.

An enquiry can generate significant costs in professional fees; we recommend that you subscribe to our fee protection service to meet the cost of your defence in the event of an enquiry.

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