

A close-up, black and white photograph of a greyhound's face, focusing on its eye. The eye is a striking, glowing green color, contrasting with the dark, textured fur. The lighting is dramatic, highlighting the fine details of the fur and the intensity of the gaze.

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We're here to
protect you

Our Tax Investigation Service means we'll be right by your side when you need us the most.



Why is HMRC investigating?

In the UK we live in an environment whereby the taxpayer is responsible for their own tax liability. HMRC opens investigations to see if the taxpayer has paid the right amount of tax on a random or selective basis. All this helps the government fill its ever-expanding public finance black hole.

Beware of “Connect”!

HMRC now uses a sophisticated database called 'Connect' to start more than 80% of tax enquiries. The system collects data from 30 different sources, including UK and offshore banks, Companies House, the Land Registry, estate agents, the DVLA and other licensing authorities, and social media.

The data can be instantaneously reviewed by more than 3,000 HMRC investigators to produce a financial fingerprint for any taxpayer. If there are any discrepancies between tax returns or business accounts sent to HMRC, a tax enquiry will follow as sure as night follows day. Tax enquiries started from 'Connect' have produced billions of pounds in additional tax over the last few years.

Using 'Connect', HMRC can now target enquiries more accurately than ever before – but they still get it wrong sometimes. That's why we will always challenge HMRC regarding their reasons for an enquiry when defending clients.

What could an investigation involve?

HMRC so far has been targeting the SME sector, medical professionals such as dentists / doctors and 'hidden wealth' in particular, where HMRC call upon individuals who are apparently living beyond their declared means.

HMRC may have information about an offshore bank account, an expensive asset like a luxury car or even images from Google Earth showing a large extension. Reviewing records up-to six years old is not uncommon and costs thousands to defend.

When HMRC comes knocking...

Case of mistaken identity

A Husband & Wife Partnership that sold and installed double glazing were subject to a full enquiry. At the initial meeting HMRC alleged the husband had been dishonest. However by the conclusion of the enquiry HMRC deemed that £129 of tax was repayable by the partnership and apologised, confirming the allegation of dishonesty was a case of mistaken identity.

Accountancy fees were approximately £5,000.



Where our service comes in

If the HMRC states its intention to investigate your tax payments don't panic. Call us – your dedicated accountant and best defence.

We will translate the many complicated questions the taxman may pose, manage the entire dialogue with the taxman, help you submit any required information and minimise the impact on your business or personal accounts.

Why take action?

- Investigations are often at random and come at any time
- HMRC are clawing back billions of pounds by stepping up the number of tax investigations
- Powerful new software can trace even the smallest discrepancy in spending or earnings, prompting an investigation
- The stress and cost of an investigation can be considerable
- Our expertise can save you time and money in the long run

more
than just
accountants

Service Summary

Introduction

This document is a receipt of your subscription fee to the Tax Investigation Service provided by your accountant, named above as the 'Policyholder'. Your accountant holds a policy of insurance that provides cover for professional fees incurred for work undertaken on your behalf in respect of their Tax Investigation Service. Where applicable, directors or partners (including their spouses/civil partners) are included in the Tax Investigation Service, subject to the agreed external income limits. This document does not give full details of the cover provided to your accountant. A copy of your accountant's policy, which sets out the full terms and conditions of the cover, can be obtained on request from your accountant. A summary of the main terms of the cover under your accountant's policy follows below.

Tax Investigation Service

The service offers protection for costs incurred in tax matters as listed below:

The service will cover

Professional fees incurred in respect of:

- Corporation tax or income tax enquiries
- PAYE/NIC compliance check and disputes with HMRC following such checks
- IR35 enquiries and disputes
- Code of Practice 8 investigations provided that at the culmination of such investigation it is proved that you were not found guilty of dishonesty, fraud or fraudulent intent
- Schedule 36 interventions and inspections
- Business record checks undertaken by HMRC
- National minimum wage enquiries
- Inheritance tax enquiries
- Child tax credit, student loan and gift aid enquiries
- Construction Industry Scheme enquiries and disputes
- An informal request, including telephone enquiries, for information from HMRC which requires a written response by your accountant (up to £250 of initial costs)
- VAT compliance checks and disputes with HMRC following such checks
- Enquiries under Section 60 or 61 of the VAT Act 1994, provided that at the culmination of such investigation it is proved that you were not found guilty of dishonesty, fraud or fraudulent intent
- Applications for judicial review

If you join as a subscriber to your accountant's Tax Investigation your accountant's insurers will provide cover for up to £100,000 for any one claim and in the annual aggregate per client in respect of fees and disbursements (please note that a lower limit of £10,000 applies in respect of HMRC enquiries under Code of Practice 8 and Judicial Review applications).

The service will not cover any fees or costs:

- Incurred prior to acceptance of a claim by your accountant's insurer
- In respect of any work undertaken prior to receipt of notification of enquiry by HMRC
- In respect of any matter where you have entered into communications with HMRC without taking advice from your accountant
- In respect of any claim arising from or relating to a circumstance that occurred prior to or existed at the inception of this Policy
- Relating to the defence of any criminal prosecution
- Relating to any claim arising from an enquiry into your tax return or an amendment to your tax return or any other statutory return that was not submitted within 90 days following expiry of the statutory time limits, unless HMRC provide written confirmation of their acceptance of the delay
- Relating to any enquiry following the correction of a self-assessment return where the error requiring rectification was due to a deliberate act by you or the policyholder or any other representative or where you refuse HMRC's reasonable request for rectification of the self-assessment return.
- In respect of work that should be routinely undertaken at your expense by your accountant, including preparation of tax returns and accounts
- In respect of any claim made, brought or commenced outside the territorial limits
- Where a claim has not been notified within the period of insurance or notified within the notification period.
- Unless the policyholder has prepared and/or submitted your tax return.
- Any taxes, interest, penalties and fines or any other duties
- In any claim where a tax avoidance scheme has been adopted
- Incurred as a result of professional negligence by the policyholder, which would normally be covered by a Professional Indemnity Insurance policy

Notifying your accountant

Your accountant should be notified immediately in the event that any circumstances arise which might lead to a requirement for them to represent you under the Tax Investigation Service.

Advisory Support Service

As a subscriber to your accountant's Tax Investigation Service, you have telephone access to consultants who are available to assist you with practical advice on any employment, health & safety or general legal issues that your business may encounter. The service is available weekdays between 9am to 5pm. When you join full details of how to access the helplines will be provided.

"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 policy means that our fees are one less thing for you to worry about. We can defend you for as long as it takes to achieve the right result."

Anthony Smith, Senior Partner
Humphrey & Co



Protect yourself today!

Tax investigations can be costly and our expert support during this process is not covered in your usual accountancy fees.

Investing a small amount into our Tax Investigation Service now means that you will receive complete support if HMRC targets you.

We will manage your case from start to finish, reducing stress and providing peace of mind.

Want to know more?

If you have any questions relating to our Tax Investigation Service then please contact us below, or view our website for costs, FAQ's and a response form at www.humph.co.uk/tis



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