



Tax investigations service

Every business and every individual taxpayer can fall victim to a random Self Assessment investigation – have you considered the possible costs involved?

Our tax investigations service

Following the merger of the Inland Revenue and Customs & Excise in 2005, we can now see the effect of the merger on investigations work. The income generated from investigations has risen substantially and HM Revenue & Customs (HMRC) has become more belligerent when dealing with enquiries. All individuals and businesses are affected as investigations can be selected at random, as well as via a risk assessment.

Our tax investigations service gives you peace of mind, as we will offer you the advice and support you need, when you need it most, and provide a safeguard against the costs of lengthy enquiries by HMRC.

Case study: We have a client who was subject to a full investigation by HMRC; an investigation that eventually spanned over two years. Membership of our tax investigations service saved the client a bill for professional fees incurred of over £23,000. No additional tax was assessed as a consequence of the enquiry.

Blick Rothenberg has taken out an insurance policy covering the costs incurred when dealing with certain HMRC enquiries. In the event that you suffer an investigation, we will represent you and, subject to the terms and conditions of our policy, reclaim the costs incurred in respect of our fees while dealing with the enquiry direct from the insurance company.

“HM Revenue & Customs intend to spend £1billion - a quarter of its annual budget - on enforcement and compliance this year to recover a massive £2.4billion.”

The Times, 28th April 2009

Blick Rothenberg is the policy holder and is insured through a market leader, Abbey Tax Protection, a trading division of Abbey Protection Group Limited*. The insurance is underwritten by Brit Insurance Ltd, part of a FTSE 250 group with market capitalisation of £659.3 million at 21 October 2009, and arranged through Abbey Tax Protection.

To benefit, clients must participate in our tax investigations service by paying an annual fee. This scheme is only available to Blick Rothenberg clients for whom we are engaged to submit personal or corporate tax returns.

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What does our service provide?

The service we offer, which includes (for full enquiries) provision to reclaim up to £75,000 of our fees with no excess, is as follows:

- Income tax Self Assessment full enquiries
- Corporation tax Self Assessment full enquiries
- Income tax Self Assessment aspect enquiries (subject to nil excess and a limit of £10,000)
- Corporation tax Self Assessment aspect enquiries (subject to nil excess and a limit of £10,000)
- Employer compliance disputes (PAYE, P11D and NIC disputes)
- HMRC VAT disputes
- IR35 disputes
- Employer compliance and VAT pre-disputes (subject to nil excess and a limit of £2,000)
- Schedule 36 enquiries (subject to nil excess and a limit of £2,000)
- All eligible directors or partners can be included when their company or partnership also subscribes to the scheme
- For business subscribers, access to a legal helpline – 24 hours a day, 365 days a year offering health and safety, employment and business legal advice

As with all insurance policies, certain terms, conditions and exclusions apply. These are clearly set out in our summary of the service.

This scheme does not reimburse you for additional tax, interest or penalties that may become due as a result of the enquiry.

We can't stop you from being investigated but we can make sure you get expert professional advice and support when it is most needed; and protect you against the costs involved.

What is an enquiry?

An enquiry can cover anything contained in, or which should be included in, the tax return and supporting computations.

- A Section 9A TMA 1970 enquiry relates to an individual's (including sole traders) or trustee's income tax Self Assessment return
- A Section 12AC TMA 1970 enquiry relates to a partnership income tax Self Assessment return
- A Section 24(1) Schedule 18 Finance Act 1998 enquiry relates to a company's corporation tax Self Assessment return

A 'full' enquiry means that all of the entries on the return will be looked at by HMRC and all of the books and records relating to the return under enquiry are likely to be requested by them for scrutiny.

An 'aspect' enquiry means that HMRC is looking at a number of entries (sometimes 6 or 7 boxes or more) on the return under enquiry. Aspect enquiries vary in complexity. Examples include:

- HMRC requesting documentation to support pension contributions claimed or asking for copies of all receipts in support of a specific expenses claim
- HMRC requesting all relevant documentation to review an individual's domicile status or undertaking a review of transactions with related parties, i.e. transfer pricing

The new compliance regime introduced in April 2009 will mean a more targeted and aggressive attitude by HMRC when conducting tax enquiries.

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