

Reasons to act now.

- 1** Enquiries are taking more time to deal with and are becoming more expensive as a consequence. Yet the cost of not defending enquiries properly is huge.
- 2** If you cannot afford the defence, you could end up paying a much higher tax bill.
- 3** Tax investigations can happen to anyone: whether you are an individual or in business; however good your records; even at random.
- 4** HMRC have access to data from merchant acquirers, banks and building societies, property-based information, land registry, letting agents, mortgage applications, DVLA, foreign data from overseas tax authorities, the tax evasion hotline – and they continue to expand their data sources. Even if you have done nothing wrong, you can be selected.
- 5** HMRC are using their compliance resources to undertake targeted campaigns and cross-tax enquiries in an attempt to maximise the tax they can recover.
- 6** We can't take away the stress and anxiety of being under investigation, but we can remove the cost, and work to achieve the best outcome for you.

Round-the-clock legal support.



When you subscribe to our tax investigations package, you'll have access to a team of qualified solicitors and barristers. So regardless of whether you need assistance with matters from employment law to health and safety a legal expert is only a phone call away and, most importantly the advice is:

- **Free unlimited calls**
- **In plain English**
- **Available 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.

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Protecting you from an HMRC enquiry.

Tax investigations protection



 **DAINS**
ACCOUNTANTS

Ensure you are protected.



The tax yield from **individuals** was **up £2.4billion** in 2018/19.



HMRC saw an **80% increase** in tax receipts from **high net worth individuals** in the last tax year – and only spent an additional 2.5% on compliance activity to recover it.



HMRC actually spent less on **small business compliance** and yet these businesses contributed an **additional £200m**.



Medium-sized businesses produced tax receipts that were **up 14%** in 2018/19.



Despite much press coverage which suggests otherwise, the **largest businesses** in the UK produced a return on investment of £40 for each £1 HMRC spent on compliance – an **additional £1billion** in total.



Compliance activity in 2018/19 yielded £34.1bn – a 12.5% increase in additional tax on 2017/18

The risk of an enquiry is very real.

Even if you've done nothing wrong, anyone can be selected. No business is too small or too large for HMRC to challenge.

High net worth individual

HMRC challenged a large loss relief claim. The enquiry took six years and was resolved via alternative dispute resolution where an agreement was finally reached with HMRC.

The cost of the enquiry was over £75,000.

Large business – cross tax enquiry

HMRC undertook a full review of the accounting records of the business and the tax affairs of the owners of a care sector group. All taxes were reviewed and required extensive input from the practice, with HMRC officers spending five days on site. 18 months later the enquiry closed with a significant tax settlement, and **accountancy fees of £40,000**.

Personal tax enquiry

Following a property sale, HMRC opened an enquiry into an individual's Capital Gains Tax position; requesting property valuations, leases and even challenging the transaction, as it involved a business part-owned by a member of the client's family. The enquiry was relatively short, but entailed much detailed correspondence. HMRC accepted there was no additional tax to pay, yet **the fees were still £3,500**.

SME

HMRC were contesting a research and development tax relief claim, despite the practice having submitted comprehensive report to support the figures. HMRC wanted further detailed information and ultimately insisted upon a meeting with the practice, a director and a technical specialist from the company to talk through the projects. Only then, did HMRC subsequently accept the claim for loss relief.

Final costs incurred to resolve the enquiry were £6,500.

How we can protect you.

No-one can prevent an investigation, but our tax investigations package:

- ✔ will remove your concerns about the rising costs of enquiries
- ✔ ensures you receive the best defence to protect your tax position
- ✔ enables us to challenge HMRC's assertions and assumptions head on, and that the basis of any enquiry is correct and that your case is handled fairly
- ✔ ensures the tax inspector is only asking for relevant information and documents, and provide all supporting information from our files that relates to your accounts
- ✔ handles all communications with HMRC, including letters, phone calls or notices issued
- ✔ prepares for and attends any face-to-face meetings with the tax inspector
- ✔ argues any complex or technical tax cases that are raised during the enquiry.
- ✔ **Our service now covers enquiries by HMRC into Covid Job Retention & Self Employed Income Support Grants.**



Whether it's a PAYE or VAT visit, a technical challenge or a detailed books and records enquiry, our tax investigations service is designed to get you a fair result. **It is why we strongly recommend that all our clients consider subscribing.**

For an annual charge, you can rest assured that you are protected against the professional costs associated with an HMRC enquiry. The cost of not doing so, could be an unnecessarily high tax bill.