

Peace of mind in a chaotic world

Our Tax Investigation Service will support you with HMRC Tax enquiries meaning you have one less thing to worry about

Service Summary

When you subscribe to our service we are able to make a claim against our insurance policy held with Professional Fee Protection in respect of our fees incurred (up to £100,000 per claim unless otherwise indicated) when we defend a client who is subject to any of the following events:

A Full Enquiry

This is an extensive examination which considers all aspects of the self assessment tax return. It will involve a comprehensive review by HMRC of all books and records relating to the entries made on the return. It will also feature the issue of a notice under S9A/S12AC TMA 1970 or paragraph 24(1) Schedule 18 FA 1998.

An Aspect Enquiry

This is where HMRC enquires into one or more aspects of the self assessment tax return, which may involve clarification of particular entries to detailed consideration of whether those entries have been treated correctly for tax purposes. It may involve a check on the records upon which the particular entries were based. It will also feature the issue of a notice under S9A/S12AC TMA 1970 or paragraph 24(1) Schedule 18 FA 1998.

A Business Inspection Notice

This is where HMRC exercise their power to request entry to a person's business premises and inspect the business premises, assets, goods and documents. It will feature the approval of an "Authorised Officer" of Revenue & Customs and the issue of an Inspection Notice for a short notice or unannounced visit or where the proposed inspection has been approved by the First-tier Tribunal. The notice will be issued under Schedule 36 paragraph 12(2) FA 2008.

VAT/PAYE/CIS Compliance Visit

This is where HMRC wish to carry out a routine PAYE/VAT/CIS Compliance Visit where it is considered that professional representation is necessary and the matter cannot be dealt with by the client alone. The limit of indemnity for this is £2,000.

VAT Disputes

This is a challenge by HMRC to the accuracy or completeness of returns submitted. It will feature a disagreement over both the way in which VAT has been operated and over the amount of VAT due.

PAYE/NIC/CIS Disputes

This is a challenge by HMRC to the accuracy or completeness of returns submitted in accordance with Pay As You Earn/CIS Regulations. It will feature a disagreement over both the way in which PAYE/CIS has been operated and over the amount of PAYE/NIC due.

Employment Status Dispute

Where HMRC state that an individual previously classed as self-employed should have been subject to PAYE.

IHT Cover

This relates to an estate or trust where our involvement is considered necessary following the submission of an IHT return which has been wholly prepared by us. The limit of indemnity for this is £5,000.

Gift Aid Inspections

Where a registered charity operating a Gift Aid Scheme with HMRC is being reviewed. The limit of indemnity for this is £2,000.

Partners/Directors Cover

Where a partnership or limited company join we may also make a claim in the event of either an aspect or full enquiry into the personal returns of the partners and directors and their spouses and company secretaries (where we prepare the tax return). This automatic cover will not extend to rental income in excess of £50,000 per annum (before expenses) or any other business activities. We must also be the tax return agent at the time the enquiry commences.

Application for a Judicial Review

This is an application (during the course of a valid claim under the Policy) to the Administrative Court to challenge a decision of an official where no other legal recourse is available to the applicant. The limit of indemnity for this is £5,000.

Code of Practice 8 Investigations

This is where HMRC Specialist Investigations conduct an investigation in accordance with Code of Practice 8. The limit of indemnity for this is £5,000.

IR35 Status Check

This is where HMRC write asking if it has been considered whether the client falls within the scope of IR35. The limit of indemnity for this is £2,000.

IR35 Disputes

This is where HMRC states a client should be subject to the IR35 legislation following a PAYE Compliance Visit or the issue of a notice under paragraph 24(1) Schedule 18 FA 1998. It will feature a disagreement over whether this legislation applies.

Interventions Cover (Informal Enquiries)

This is where HMRC issue a routine letter or telephone call with a view to obtaining clarification on particular points on a self assessment tax return without the issue of a statutory notice and not dealt with or excluded under any other section of this policy. The limit of indemnity for this is £2,000.

The Main Exclusions in our service are as follows:

- The costs of making good any deficiencies in books, records, accounts or returns or work ordinarily capable of being done by the client.
- Claims which originate from any matter which existed before you join our service, except where full disclosure has been made and the increase in risk has been accepted in writing.
- Minimum Wage, Student Loan and Tax Credit Enquiries.
- CIS Gross Payment Status Disputes.
- Returns which have been submitted more than 90 days late.
- Any claim involving the Civil Investigation of Fraud procedure (Code of Practice 9) or Specialist Investigations except where a Code of Practice 8 booklet has been issued.

Full details available on request.

Client legal helpline

Unannounced HMRC visits 'out of hours' helpline now included

HMRC have the power to make unannounced visits to any business. Sometimes these visits can be late at night. Clients who subscribe to our Tax Investigation Service will now be provided with access to a free helpline to provide you with expert advice on how to deal with this situation 'there and then' should you receive an unannounced visit from HMRC.

When faced with this very real threat it is important you have the support and advice of an expert when you need it most. Our 'out of hours' helpline will do this for you. It is not uncommon for HMRC to visit a business at 11.00 pm. Should this happen to you it is great to know that you will have the peace of mind of instant access to an expert to advise you accordingly.

Available 24 hours a day,
365 days a year

When you subscribe to the service, you will get access to the helpline which is also available to deal with common legal issues such as:

- Health and safety
- Employment and personnel
- Commercial legal matters

Contact us

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01932 704700

www.twpaccounting.co.uk



T W P

Chartered Accountants
& Chartered Tax Advisers

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Frequently Asked Questions

What is a Tax Investigation Service?

It is a Service set up by us and is backed by an insurance policy we have taken out in our own name with Professional Fee Protection (PFP) and protects our clients who suffer a tax enquiry. For a small annual fee, you can join our Service and obtain the benefits described on the service Summary. When you subscribe to our service we are able to make a claim against our insurance policy held with PFP in respect of our fees incurred.

Can anyone's tax affairs be scrutinised by HM Revenue & Customs?

Anyone who submits a tax return can come under scrutiny. Every year, HMRC start enquiries into many thousands of personal and business tax returns and accounts. VAT and PAYE payments are also thoroughly checked. The aim in every case is to collect more tax. HMRC has collected £34.1 billion from tax investigations in the last year.

How much could a tax enquiry cost me in professional fees?

The questions asked by HMRC are usually very detailed and time-consuming to answer. The costs of defending you can easily run into thousands of pounds, even if little or no extra tax is paid at the end of the enquiry. These costs are not protected by the normal annual fees paid to us.

I've done nothing wrong, why should I worry about a tax enquiry?

Most tax enquiries are generated by computer "risk profiling" and many are selected completely at random. As a result, HMRC sometimes picks the wrong targets. Even if you have done nothing wrong, the taxman will not give up and will still try hard to find errors.

Is there anything I can do for peace of mind?

You can subscribe to our Tax Investigation Service which will protect you for the work and costs of defending you in the event of a tax enquiry by HMRC.

I don't think I need protection

Like any other protection to meet an unexpected cost, everyone hopes that they don't need it but when a costly enquiry starts, clients are glad that they've paid the small annual charge.

I need to reduce my spending in the current economic climate

Not paying the annual cost could be a false economy. The potentially high costs of defending you in an enquiry would be much less affordable than the small annual charge. One thing is certain - HMRC does not stop making enquiries into tax returns. The amount of debt the government is in at present is only likely to increase the potential threat of an investigation!

I've already got some protection through a trade subscription or policy. e.g. FSB

Such cover will normally be limited and not as wide ranging as the practice service. Such policies are not likely to pay our fees to look after you and may instead bring in an outside consultant who doesn't know you.

What are the main benefits to subscribing clients of this Service?

- We will defend you, if and when you are selected for a tax enquiry by HMRC
- The potentially high costs of professional fees for that defence will be claimed under the practices' insurance policy
- It will not be necessary to accept unreasonable tax charges by HMRC due to concerns about professional fees
- You will also get free access to a 24/7 business legal helpline

What is protected by our service?

Under our service, subscribing clients will be fully protected and the practice will claim under our own insurance policy for up to £100,000 of professional costs, in the following circumstances:

- A HMRC enquiry into a personal or business tax return
- A HMRC enquiry into any business accounts, including those of sole traders, partnerships and limited companies.
- A dispute with HMRC where additional VAT is being pursued
- A dispute with HMRC where additional PAYE tax or National Insurance Contributions is being pursued
- A dispute with HMRC relating to the tax status of employees or subcontractors

What is protected by the business fee?

To ensure seamless protection, the business fee protects enquiries into the tax returns of the directors, partners, and their spouse and company secretaries providing we prepare their tax returns. However, where the individual has gross rentals received as landlords that total £50,000 each or more per annum and/or self-employment income (outside of the main business), a separate Business Client fee is payable.

What is not protected by our service?

Some costs will not be protected under our service, including the following:

- Outstanding taxes, penalties, interest or any other amounts due to HMRC
- Defence of clients in criminal prosecution cases or serious fraud enquiries
- Fees relating to pre-existing tax enquiries, or enquiries where tax returns were submitted to HMRC later than the statutory time limits (90 days)
- Tax avoidance schemes
- Limited cover of £5,000 is provided for HMRC enquiries under Code of Practice 8 which HMRC can use if they are carrying out a technical review but do not suspect fraudulent conduct. Cover is excluded if fraud is proven.

How do I join or obtain information?

To subscribe to our service, a cheque for the amount due should be sent to us unless otherwise stated. If you need any more information, we can provide this by email or post.

Who are Professional Fee Protection (PFP)?

PFP are specialist providers of Tax Enquiry Insurance. They pioneered fee protection in the UK over 30 years ago. They have protected over 600,000 different businesses and individuals. They are committed to working in conjunction with us, thus ensuring your interests are fully protected.

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