

Tax Investigations Package

The peace of mind you deserve

HMRC enquiries

SOPHER + CO

What are the risks?

Enquiries are becoming ever more complex which means explaining the intricate and unique tax positions of our clients to HMRC takes more time, incurring more expense as a consequence.

We want to achieve the best possible outcome without you having to worry about the time and costs involved in defending you to the fullest. Having an expert who understands your business and your tax affairs is key to dealing with HMRC enquiries.

HMRC are using their compliance resources to undertake targeted campaigns and cross-tax enquiries in an attempt to maximise the tax they can recover.

Investigations can be intrusive and obstructive to you and your business. We cannot prevent HMRC from selecting you for enquiry, but we can help to minimise their impact and reduce stress by dealing with HMRC on your behalf.

Narrowing the tax gap

In the financial year 2020 to 2021, HMRC generated total tax revenues of £608.8 billion, which remains a significant amount despite the impact of Covid-19 on individuals and businesses.

A total of £30.4 billion in additional tax was generated by compliance activity in 2020/21; £2.6 billion related to individuals, £3.0 billion from wealthy individuals, and £8.4 billion from small and mid-sized businesses.

Despite much press coverage which suggests otherwise, the largest businesses in the UK produced a return on investment in compliance of £60 for each £1 spent – an additional £13.2 billion in total.*

With HMRC's continued investment in compliance, ensure you are protected with our comprehensive tax investigations package.

*www.gov.uk as at 4 November 2021



How we can protect you

No-one can prevent an investigation, but our tax investigations package will enable us to:



Explain any complex or technical tax challenges that are raised during the enquiry without any restrictions due to cost



Challenge HMRC's assertions and assumptions head on, establish that the basis of any enquiry is correct and make sure your case is handled fairly



Ensure the tax inspector is only requesting relevant information and documents, and provide all supporting evidence from our files relating to your return



Handle all communication with HMRC, including letters, phone calls or notices issued



Prepare for and attend any face-to-face meetings with HMRC



Ensure you receive the best defence to protect your tax position

Whether it's a cross-tax enquiry, a technical challenge or a detailed books and records review, our tax investigations package is designed to get you the best possible result and is why we strongly recommend that all our clients subscribe.

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.



Who's most at risk of a tax investigation?

Tax investigations can happen to anyone – whether you are an individual or in business – however good your records are. HMRC regularly undertake random enquiries to police the system.

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 met by the tax investigations package and not the client.**

HIGH-NET-WORTH INDIVIDUALS

HMRC sought to check the HNW individual's domicile status, requesting a great deal of information over a four-year period. The practice was at the client's side throughout and after several years, agreement was reached with HMRC. **Despite having a tax bill, fees of over £75,000 were met by the tax investigations package.**

PERSONAL TAX ENQUIRY

HMRC opened an enquiry into an individual's Capital Gains Tax position, rollover relief and income from property. At the outset, HMRC requested a substantial amount of information. A detailed reply was provided, but HMRC continued to challenge the claim for rollover relief. After further correspondence, the enquiry was closed without any amendment to the return. **The fees incurred for representation in respect of the enquiry totalled £13,000.**

Fee Protection Service Rates for 1st September 2022 – 30th September 2023

Notes:

- Clients joining partway through the scheme year will be charged a pro-rata fee.
- Discounts available for groups of 4 or more related premium holders.
- Rates have increased due to inflation and price increases across all industries as well as the increase in the number of enquiries HMRC are undertaking post covid.

Categories	Total inc VAT
Payroll/VAT only client	£270.00
Trust/Personal Tax only (where gross rental/ other income is less than £50,000)	£180.00
Trust/Personal Tax only (where gross rental/ other income in excess £50,000)	£300.00
Sole trader not registered for VAT	£360.00
Sole trader registered for VAT	£510.00
Partnership/LLP/Ltd Co with turnover up to £5 million	£600.00
Partnership/LLP/Ltd Co with turnover between £5 million and £10 million	£630.00
Partnership/LLP/Ltd Co with turnover above £10 million	£1170.00

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