

Reasons to act now.



Total tax revenue in 2018/19 increased by £22bn to £627.9bn



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



HMRC enquiries are better targeted and being worked on with an unprecedented level of detail and persistence



Enquiries are becoming increasingly personal as HMRC push to scrutinise the bank statements of business proprietors



Enquiries are taking longer and the defence more expensive. The cost of not defending them properly is huge. HMRC's 'cross-tax' enquiry process continues to target mid-size businesses – such enquiries can take years to resolve



With greater access to technology than ever before, HMRC's enquiry activity shows no signs of abating

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Fee Protection Service Rates for 1st October 2019 – 30th September 2020.

Categories	Total inc VAT
Payroll/VAT only client	£180.00
Trust/Personal Tax only (where gross rental/ other income is less than £50,000)	£126.00
Trust/Personal Tax only with gross rental/ other income in excess £50,000)	£210.00
Sole trader not registered for VAT	£255.00
Sole trader registered for VAT	£375.00
Partnership/LLP/Ltd Co with turnover up to £5 million	£420.00
Partnership/LLP/Ltd Co with turnover between £5 million and £10 million	£450.00
Partnership/LLP/Ltd Co with turnover between £10 million and £25 million	£855.00
Partnership/LLP/Ltd Co with turnover above £25 million	£1,050.00

Notes:

- The business premium automatically includes cover for directors, partners, members, spouses and civil partners for personal tax only where gross rental income is less than £50,000, or sole trader/ other income is less than £15,000, where we are the appointed agents.
- 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.

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SOPHER+CO

Protecting you from an HMRC enquiry

Tax investigations protection



Don't put yourself or your business at risk, contact:
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Ensure you are protected.

Due to the increased focus in 2017, HMRC introduced its Connect System, designed to identify those who may have paid too little tax. It is now responsible for selecting 9 out of every 10 enquiries.

There are a number of reasons why you may be chosen for an enquiry using the Connect System, this can include: the nature of your business, where you live, the property you rent or your particular profession.



HMRC enquiry activity is more focused than ever before. Investigations are intrusive, costly and time consuming. In 2017-18 HMRC collected £30.3 billion through compliance activity.

Our tax investigations package ensures you get the best defence without worrying about the cost.

We are confident that our service delivers the most comprehensive protection against any potential fees arising from professional representation in the event of an HMRC enquiry.

Anyone can be investigated.

HMRC's Connect System is an £80m investment programme and now contains over 22bn lines of data. HMRC claims that any information received by them concerning any individual taxpayer can now be linked to the taxpayer's file in minutes.

No business is too small or too large for HMRC to challenge; those targeted include owner managed businesses, entrepreneurs, professional firms, charities, small businesses or individuals.



HMRC selected a large restaurant chain for an unannounced visit and subsequent VAT enquiry. After 2 years, HMRC raised a best judgement assessment of c. £100k. **The practice pursued matters through Alternative Dispute Resolution resulting in costs of £15,000. The enquiry concluded with no additional tax liabilities.**



An enquiry into a non-resident individual took several years, with HMRC requesting a large amount of very detailed information. After numerous exchanges of correspondence, HMRC ultimately concluded that the tax treatment was correct. **The enquiry costs amounted to in excess of £30,000.**



A law firm was subject to an employer compliance review where HMRC was specifically considering the status of self-employed workers. The accountant challenged HMRC's view that the workers should have been employees. After a 4-year enquiry, a successful outcome was achieved. **Accountancy costs in respect of this enquiry were in excess of £10,000.**



HMRC opened a full enquiry into a self-employed caterer. The Inspector requested all of the books and records at the outset and subsequently made further enquiries about the expenses claimed. The practice managed to close the enquiry via correspondence alone, with no adjustments required to the return. **Yet fees still amounted to £2,000.**

- Listed above were all claims concluded across 2017/18.

Where we come in.

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

- Will remove your concerns about the cost of an enquiry
- Ensure you receive the best defence so that your tax position is protected
- Enable us to challenge HMRC's assertions and assumptions head on
- Ensure that the basis of any enquiry is correct and that your case is handled fairly
- Handle all communications with HMRC, including letters, phone calls or notices issued
- Collate all supporting information from our files that relates to your accounts
- Prepare for and attend any face-to-face meetings with the tax inspector
- Argue any complex or technical tax cases that are raised during the enquiry
- Give you round the clock legal support from a team of qualified solicitors and barristers for employment law, health and safety matters and commercial issues.

So whether it's a PAYE or VAT visit, a technical enquiry or full blown books and records enquiry, our tax investigations service is designed to get you the best result. **That's why we strongly recommend that all our clients subscribe.**

For a small yearly cost, you can rest assured that you are fully protected against professional costs associated with an HMRC enquiry.

For full T&C's please visit:
www.sopherco.com/services/tax/hmrc-investigations-and-enquiries