

Tax Investigations Package

The peace of mind you deserve

HMRC enquiries

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 HNWI 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.**

Expert legal support when you need it most

**What are the current maternity rules?
How do I make someone redundant?
My customer hasn't paid me. What can I do?**

When you subscribe to our tax investigations package, you'll also have access to a team of qualified solicitors for employment law, health and safety matters and commercial issues.

A legal expert is only a phone call away and, most importantly, the advice is:

- in plain English
- available 24/7, 365 days a year
- accessible via free, unlimited calls

Law Hub

Law Hub assists with everyday legal issues around employment, health and safety, trading and contracts, cyber and data, debt and insolvency. The Law Hub provides practical DIY templates and guidance around these topics, which saves SMEs business time and money.

Law Hub includes:

- 750+ DIY contracts, policies, forms and letter templates
- 440+ guides
- 375+ links to key resources

In the current climate, businesses need legal assistance more than ever. Don't put your business at risk – ensure you have access to expert assistance when you need it most.

Contact us for more information

Tax Investigations Service Summary

Service period:

Our Tax Investigations Service is fully backed by an Insurance Policy, which we have taken out with Markel Tax.

Service protection

Fee Protection of up to £125,000 is provided in the event of:

Full and aspect enquiries into:

- ✔ Corporation Tax Returns
- ✔ Partnership Tax Returns
- ✔ Sole Trader Tax Returns
- ✔ Personal Tax Returns

Disputes into:

- ✔ VAT
- ✔ Employer Compliance (PAYE, P11D and NIC)
- ✔ IR35

Code of practice 8 enquiries (£5,000 limit of indemnity) and Inheritance Tax enquiries (£5,000 limit of indemnity)

HMRC use of Information and Inspection Powers/Sch. 36 Pre Disputes in respect of:

- ✔ VAT reviews and inspections
- ✔ Employer Compliance Visits
- ✔ Check of Employer Records
- ✔ Check of Coronavirus Job Retention Scheme (CJRS) claims
- ✔ Check of Self-Employment Income Support scheme (SEISS) claims
- ✔ National Minimum Wage reviews
- ✔ Interventions
- ✔ Requests for information
- ✔ Capital Gains Tax
- ✔ Gift Aid Audits
- ✔ Construction Industry Scheme
- ✔ SDLT/LBTT/LTT* enquiries

*SDLT-Stamp Duty Land Tax/LBTT-Land & Buildings Transactional Tax/LTT-Land Transactional Tax enquiries are upto a limit of £5,000 indemnity

Restrictions to our Tax Investigation Service

- Fees incurred prior to the written acceptance.
- HMRC Specialist Investigations, Civil Investigations of Fraud, Criminal Investigations Sections, Fraud Investigation Service and Counter Avoidance Sections.
- Tax and VAT Returns submitted to HMRC more than 90 days after the due date.
- Notification by HMRC of any of the above incidents prior to subscribing to the service.
- Failure to notify/register for tax or VAT.
- Compliance costs associated with routine submission of statutory returns e.g. P11Ds RTI Returns, CIS Returns etc.
- Cases of suspected fraud e.g. Code of Practice 9 cases and Public Notice 160 enquiries.
- Where there is no reasonable prospect of challenging HMRC (VAT, PAYE, CJRS, SEISS and IR35 Disputes).
- Costs for third party valuations.
- Tax planning arrangements where HMRC have allocated DoTAS Number and/or bespoke tax planning arrangements outside of the normal trade.

In the event a client faces investigation, we will represent you and reclaim any costs incurred for subscribing clients in dealing with the Enquiry directly from the insurance company. The practice will be responsible and have the discretion for dealing with any tax investigation enquiry. Clients will be responsible for any fees that we cannot recover from our Insurers.

Law Hub

Clients who subscribe to this service will also benefit from access to a legal portal, Law Hub, provided by Markel Law. UK SMEs can face a wide range of challenges – the portal provides assistance to deal with the everyday legal issues around employment, health and safety, trading and contracts, cyber and data, debt and insolvency. Law Hub provides practical DIY templates and guidance around these topics. Law Hub is written and created by Markel's team of legal experts.

Business and commercial legal helpline

As an additional benefit of subscribing to the service, business clients receive unlimited access to a business legal helpline. This is a 24-hour, 365 days a year telephone advice service manned by a highly experienced team of 70 barristers and solicitors. The helpline provides a wide range of companies and organisations with commercial, employment and health and safety advice.

Commercial Advice

There are many areas within a business which, if not handled correctly, can take a substantial amount of resources to resolve. The legal advisors will be at hand to provide you with details of the relevant and current legislation in respect of any guidance you may need on matters including:

- ✔ Intellectual Property
- ✔ Small claims court procedures
- ✔ Business tenancies
- ✔ Debt recovery
- ✔ Dealing with complaint letters (asserting rights)
- ✔ Dealing with statutory demands

Employment Advice

Employment legislation can be a minefield and an incorrect decision could put your business into turmoil. Therefore, the advice line can help to ensure your business remains compliant and proper, fair procedures are followed. You can receive advice on matters including:

- ✔ Recruitment
- ✔ Discrimination
- ✔ Appraisal and disciplinary procedures

Health and Safety Advice

All businesses are required by law to undertake a full health and safety risk assessment of their premises and business procedures. In the event of accidents, businesses could be involved in a civil claim for compensation and there could also be criminal prosecutions resulting in fines and even imprisonment. You may receive advice on:

- ✔ Undertaking health and safety assessment
- ✔ Correct procedures in the workplace
- ✔ Understanding new legislation

Legal Telephone Advice Services and Law Hub

The telephone legal advice and Law Hub are provided by Markel Law LLP and can advise on general UK law. Markel Protection Limited is a corporate member of Markel Law LLP. Markel Law LLP is regulated and authorised by the Solicitors Regulation Authority. Markel Law makes no additional charge for providing these services.

The advice will primarily be provided by Markel Law LLP and its team of solicitors, who are ultimately managed by the Director of Legal Services (who is a lawyer).

If the client has a complaint about these telephone legal advice services, they should contact the customer services manager, Markel Law LLP, Interchange, 81-85 Station Road, Croydon CR0 2AJ.

If the client is unhappy with the written response from the customer services manager, the client may contact the Legal Ombudsman at PO Box 6806 Wolverhampton WV1 9WJ, or www.legalombudsman.org.uk, or 0300 555 0333 and ask them to consider the matter. The Legal Ombudsman will only consider matters which have been submitted to it within the earliest of the following timescales: (a) within 1 year from the act/omission complained of; (b) within 1 year from when the client should reasonably have known there was a cause for complaint, without taking advice from a third party and; (c) within 6 months of the client receiving a written reply from Markel Protection Limited concerning the complaint.

If you also wish to make Markel Tax aware of the complaint, please contact the customer services manager, Markel Tax, One Mitchell Court, Castle Mound Way, Rugby CV23 0UY. Tel: 0345 223 2727