

Year on year HMRC is targeted to increase revenue from tax compliance to reduce the tax gap, which currently stands at £34bn. In order to achieve these targets, HMRC is investing an extra £800m on compliance activity, with £300m specifically set aside to target SMEs and High Net Worth Individuals.

As part of HMRC's strategic plan, they are building an Enterprise Data Hub to house all the information they collect from other government agencies, banks and building societies and numerous other external institutions. This will allow tax officers to see everything about an individual in one place and enable closer scrutiny of Tax Returns. To ensure this information is followed up and acted upon, 46% of HMRC's workforce is now engaged in enforcement and compliance activity.

Our tax investigations package offers businesses and individuals protection to ensure that in the event of an HMRC enquiry all your professional fees are provided for. The cost of protecting against such financial losses is a fraction of the likely costs incurred during an enquiry.

The average HMRC enquiry lasts 19 months. The cost of professional fees to defend an HMRC enquiry often exceeds £5,000!

**Our fee protection package offers:**

- Full representation to HMRC on your behalf including handling all correspondence and interaction, including attending any 1-1 meetings
- Comfort and peace of mind that we will fiercely defend any enquiry into you or your business

HMRC continue to develop and harness more sophisticated technological capabilities; the risk of an enquiry is a reality.

Access to your personal and business finances is more readily available to HMRC, giving greater transparency into your financial affairs.

An enquiry can generate significant costs in professional fees; we recommend that you subscribe to this fee protection package to meet the cost of your defence in the event of an enquiry.

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# Tax investigations package.

**When you come under scrutiny from HMRC, it's your responsibility to meet the cost of your defence.**



## Could this be you?

HMRC opened an enquiry into an individual investigating a recent Tax Return. Almost a year after the enquiry opened, HMRC accepted the figures declared on the original Return. The professional defence fees amounted to almost £30,000. Without tax investigations protection, the client would have been forced to foot the bill to prove their innocence.

A business was investigated for almost two years after HMRC started a full review of the business records and looked into a number of technical matters, including the director's loan account. Additional tax payable was only £200. Fees to reach settlement exceeded £5,000. Without tax investigations protection, the client would have settled sooner and paid a lot more tax.

**“Tax investigations protection is just as important as protecting our business from unpredicted buildings, contents or car damage. The annual fee is small in comparison to the cost of an investigation so it is definitely worth having.”**

## Reasons an enquiry may be triggered.

- One of HMRC's strategic objectives is to reduce the tax gap which stands at £34bn. A big chunk of the uncollected tax is attributed to SMEs and wealthy individuals failing to pay the correct amount, hence the additional investment.
- The Mortgage Verification Scheme enables mortgage lenders to check an applicant's financial details with HMRC. If the income details declared on the mortgage application differ to the information held by HMRC, an enquiry is a strong possibility.
- Card payment processors who handle credit and debit card transactions have to provide HMRC with reports of sales made. HMRC checks this information against the turnover declared by retail businesses, not just to verify the amount of card income, but to gauge how much cash is being declared by the business.
- Over 80,000 reports are made to HMRC's tax evasion hotline each year from jilted partners, wives and husbands, as well as disgruntled former employees and jealous business competitors.
- Over £1bn has been collected so far from campaigns focused on doctors, plumbers, electricians, landlords and online traders. HMRC have also subjected smaller businesses including painters and decorators, driving instructors, taxi drivers and pharmacists to benchmarking.
- HMRC selects a proportion of enquiries at random every year and this year could be your unlucky click of the mouse.

## We are here to help you!

**FREE business legal helpline.**  
Subscribing to the tax investigations package gives you 24 hour, 365 days a year unlimited access to a business legal helpline.

Have you ever felt frustrated that you don't have the internal resources to respond to a business need or issue?

The team of qualified barristers, solicitors and legal experts offer advice covering all aspects of employment, health & safety and business legal matters including:

- Debtor issues
- Disciplinary matters
- Contractual disputes
- Small claims court procedures
- Dealing with complaint letters (asserting rights)
- Dealing with statutory demands
- Litigation
- Property disputes