

Tax Enquiry Fee Protection



Time is ticking...

Are you protected in the event of an HMRC enquiry?





Why is HMRC investigating?

In the UK we live in an environment in which the taxpayer is responsible for their own tax liability. HMRC opens investigations to see if the taxpayer has paid the right amount of tax on a random or selective basis. All this helps the government fill its ever expanding public finance black hole.

Beware of “Connect”!

HMRC now uses a sophisticated database called ‘Connect’ to start more than 80% of tax enquiries. The system collects data from 30 different sources, including UK and offshore banks, Companies House, the Land Registry, estate agents, the DVLA and other licensing authorities, and social media.

The data can be instantaneously reviewed by more than 3,000 HMRC investigators to produce a financial fingerprint for any taxpayer. If there are any discrepancies between tax returns or business accounts sent to HMRC, a tax enquiry will follow as sure as night follows day. Tax enquiries started from ‘Connect’ have produced billions of pounds in additional tax over the last few years.

Using ‘Connect’, HMRC can now target enquiries more accurately than ever before – but they still get it wrong sometimes. That’s why we will always challenge HMRC regarding their reasons for an enquiry when defending clients.

What could an investigation involve?

HMRC so far has been targeting individual, SME sector, media / entertainment and medical professionals such as dentists / doctors and 'hidden wealth' in particular, where HMRC call upon individuals who are apparently living beyond their declared means.

HMRC may have information about an offshore bank account, an expensive asset like a luxury car or even images from Google Earth showing a large extension. Reviewing records up to six years old is not uncommon and cost thousands to defend.

When HMRC comes knocking...

Case of mistaken identity

A husband & wife partnership selling and installing double glazing was investigated by HMRC. At a meeting, HMRC alleged the husband had been dishonest. By the end of a long and detailed enquiry, HMRC repaid £129 of tax to the partnership and apologised, confirming that the allegation of dishonesty was a case of mistaken identity.

Accountancy fees were approximately £5,000 and were paid in full by Vantage Fee Protect.



Where our service comes in

If the HMRC states its intention to investigate your tax payments, don't panic. Call us, your dedicated accountant and best defence.

We will translate the many complicated questions the taxman may pose, manage the entire conversation with the taxman, help you submit any required information and minimise the impact on your business or personal accounts.

Why take action?

- Investigations are often at random and come at any time
 - HMRC are clawing back billions of pounds by stepping up the number of tax investigations
 - Powerful new software can trace even the smallest discrepancy in spending or earnings, prompting an investigation
 - The stress and cost of an investigation can be considerable
 - Our expertise can save you time and money in the long run
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Service Summary

Introduction

This document details your subscription to our Tax Enquiry Fee Protection provided to our firm as the named 'Policyholder' by our insurer. Your accountant holds a policy of insurance that provides cover for professional fees incurred for work undertaken on your behalf in respect of their Tax Enquiry Fee Protection. Where applicable, directors or partners (including their spouses/civil partners) are included in the Tax Enquiry Fee Protection, subject to the agreed external income limits. This document does not give full details of the cover provided to your accountant, a copy of the full Policy Wording is available on request.

Tax Enquiry Fee Protection

The service offers protection for costs incurred in tax matters as listed below:

The service will cover

Professional fees incurred in respect of:

- Corporation Tax and Income Tax full or aspect enquiries
- PAYE/NIC compliance checks from the outset and disputes with HMRC following such checks
- IR35/Employment Status/CIS enquiries and disputes
- VAT compliance checks from the outset and disputes with HMRC following such checks
- Enquiries under Section 60 or 61 of the VAT Act 1994, provided that at the culmination of such investigation it is proved that the policyholder was not found guilty of dishonesty, fraud or fraudulent intent
- Business record checks, inspections and interventions under HMRC's Information & Inspection Powers at Schedule 36 FA 2008
- Up to £250 of costs relating to an informal request for information by HMRC, by telephone or other means
- Inheritance tax/ Probate return enquiries
- Stamp Duty and Stamp Duty Land Tax Enquiries
- National Minimum Wage / National Living Wage enquiries
- Child tax credit enquiries
- Student Loan enquiries
- Gift Aid enquiries
- Companies House confirmation statement enquiries
- Enquiries into Scottish taxes
- Auto enrolment return enquiries where the Policyholder has been engaged to complete the appropriate reporting statements and declarations
- Code of Practice 8 investigations, provided that at the culmination of such investigation it is proved that the policyholder was not found guilty of dishonesty, fraud or fraudulent intent
- Applications for judicial review, subject to Vantage Fee Protect consent

The service will not cover any fees or costs:

- Incurred prior to the acceptance of a claim by Vantage Fee Protect
- In respect of any work undertaken prior to receipt of notification of enquiry by HMRC
- In respect of any claim arising from or relating to a circumstance that occurred prior to or existed at the inception of this Policy
- Costs relating to time spent during a review of the business or other financial records by HMRC, unless this has been authorised in advance by Vantage Fee Protect
- Relating to a criminal prosecution or an enquiry conducted by HMRC under the Civil Investigation of Fraud procedure (Code of Practice 9)
- Relating to any claim arising from an enquiry into a tax return that was not submitted within 90 days following expiry of the statutory time limits
- In respect of work that should be routinely undertaken by the appointed consultant at the policyholder's expense
- In respect of any claim made, brought or commenced outside the territorial limits
- Where a claim has not been notified within the period of insurance or notified within the notification period
- Any taxes, interest, penalties and fines or any other duties.
- In any claim where the policyholder has adopted a tax avoidance scheme
- Incurred as a result of professional negligence

Notifying your accountant

Your accountant should be notified immediately in the event that any circumstances arise which might lead to a requirement for them to represent you under the Tax Enquiry Fee Protection.

Advisory Support Service

As a subscriber to your accountant's Tax Enquiry Fee Protection, you have telephone access to consultants who are available to assist you with practical advice on any employment, health & safety or general legal issues that your business may encounter. The service is available weekdays between 8:30am to 5.30pm. To access this service please call 0116 243 7891.

"HMRC is continually embarking on new ways to target you using a range of approaches and new technology. We are constantly vigilant and we stay up to date with the latest advances, but you are still at risk of an investigation at any time.

Taking out a subscription to our policy means that our fees are one less thing for you to worry about. We can defend you for as long as it takes to achieve the right result."

Paul Tutin, Chairman
Streets Chartered Accountants



Protect yourself today

Tax investigations can be costly and our expert support during this process is not covered in your usual accountancy fees.

Investing a small amount into our Tax Enquiry Fee Protection now means that you will receive complete support if HMRC targets you.

We will manage your case from start to finish, reducing stress and providing peace of mind.

Contact your local Streets team

Bedford
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London - Shoreditch
0203 463 5900

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01733 312191

Brighton & Hove
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Manchester
0161 4570270

Sheffield
01142 300830

Cambridge
01223 570000

London - Covent Garden
020 77178474

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01638 660661

Slough
01753 708955

Grantham & Newark
01476 590838

London - St Paul's
0203 655 7820

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01604 806962

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