

# Frequently Asked Questions

## Tax Enquiry Fee Protection Service

### **Why do HMRC investigate tax returns?**

HMRC are targeted with closing the tax gap between what they do collect and what they should collect. This amounts to many billions of pounds. Tax investigations are a key tool in reducing this deficit. Whether you are an individual taxpayer or business owner, an enquiry is possible. Any HMRC return can be selected for an investigation.

### **How are HMRC investigations initiated?**

There is a common misconception that in order to be selected for a tax investigation that you have done something wrong. This is rarely the case. Random enquiries into affairs can and do happen for a number of reasons including late submissions, working within a targeted sector or a tip off from the general public. HMRC also use sophisticated software to cross match a wide range of data sources.

### **I already have some protection through a trade subscription or policy. e.g. FSB. Is this the same?**

Cover from these alternative sources will normally be limited and not as wide ranging as our Tax Enquiry Fee Protection Service. Other policies may not pay our fees to defend you.

### **What are the associated professional fees?**

The costs of representing you can easily run into thousands of pounds, even if little or no extra tax is paid at the end of the enquiry. These costs are not protected by the normal annual fees paid to us.

### **Is there protection available against these costs?**

Yes. For a small annual fee you can join our Tax Investigation Fee Protection Service which will safeguard you against the cost of the accountancy fees associated with the enquiry.

### **What is the Tax Enquiry Fee Protection Service?**

It is a service set up by us in partnership with Croner-i Ltd to protect clients who are selected for an investigation. The service runs for 12 months from 1 July each year. To be covered from 1 July we must receive your subscription fee prior to this date otherwise cover will commence on the date payment is received for the remaining period until 30 June of the following year.

When you subscribe to our Service we are able to make a claim against our insurance policy held with Croner-i Ltd in respect of our fees incurred.

Please note that tax due, interest and penalties incurred as a result of an enquiry are not covered and you will be liable for such costs directly.

### **If Streets don't look after my tax affairs, can I benefit from the Tax Enquiry Fee Protection Service?**

No, you cannot. You may wish to contact Streets LLP about becoming our client.

### **If your previous Tax affairs have been handled by another firm can the Tax Enquiry Fee Protection Service cover you for this period?**

Yes, as long as Streets are the acting agent for you at the time HMRC open an enquiry and you have paid the correct subscription fee.

### **Does the Service cover Directors/Partners who have additional income from other sources?**

For business clients, where Streets is the tax return agent of the directors, partners or company secretaries (including their spouses / civil partners) the business fee also covers their personal tax returns at no extra cost, provided annual gross rental income is less than £50,000 and they do not have any self-employment income, otherwise an additional Sole Trader fee will be due.

### **What are the main service inclusions and exclusions?**

To access this information and for the full policy wording, we encourage you to visit [www.cronertaxwise.com/premier-professional-policy](http://www.cronertaxwise.com/premier-professional-policy)

To join or obtain further information:

If you have any questions relating to our tax investigation service please contact us or view our dedicated website [www.streets.cronertaxwise.co.uk](http://www.streets.cronertaxwise.co.uk)

Once we have received your payment, we will send you a receipted VAT invoice. All those subscribing for the Tax Enquiry Fee Protection Service will receive a 'Summary of Service'. For those who subscribe via the online methods, the document will be emailed to them upon payment being received. For those paying Streets LLP PFS directly the document will be emailed to you with your receipted VAT invoice.