



Protecting you against costs in the event of
an HMRC Enquiry

Our Tax Investigations Service

Enquiries are increasingly 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.

What are the risks?



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.

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Narrowing the tax gap



In the financial year 2021 to 2022, HMRC generated total tax revenue of £731.1 billion, which remains a significant amount despite the impact of COVID-19 on individuals and businesses.

The UK tax gap is estimated to be 5.1% and there has been a long-term reduction in the overall tax gap, falling from 7.5% in 2005/6. This means HMRC secured nearly 95% of all taxes due against the backdrop of COVID-19.

Compliance yield is up from £30.4 billion in 2020/21 to £30.8 billion; £2.7 billion was related to individuals, £2.5 billion from wealthy individuals, £11.1 billion from small and mid-sized businesses and £10.2 billion from large businesses.

Anyone can be investigated



Introduced over a decade ago, HMRC's Connect system is designed to identify those who may have underpaid tax, matching over one billion HMRC and third-party data items from sources such as bank accounts, social media sites and DVLA. Connect has the capacity to highlight relationships and patterns in taxpayer and third-party data, allowing HMRC to analyse any anomalies. This powerful data tool is central to HMRC's work to close the tax gap and tackle evasion. Nine out of ten enquiries issued by HMRC is selected by Connect.

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 service and not the client.

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High-net-worth Individual [HNW]



HMRC sought to check the HNW 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 an agreement was reached with HMRC.

The fees of over £75,000 to deal with this enquiry were met by the tax investigations package.

It's you we're protecting

Tax investigations are expensive, intrusive and stressful. The cost of an enquiry can seriously impact your financial security. Even if HMRC agrees that your records are 100% accurate and there is no additional tax to pay, you will still need to pay the professional fees associated with a robust defence.

As your advisor, we offer a Tax Investigations Service which includes additional benefits to best meet your needs.

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The Solution:

We provide a valuable tax investigations service which enables us to defend you in the unfortunate case that you are selected for an enquiry without worrying about the cost. We are confident that the service delivers comprehensive protection against most potential fees arising from professional representation in the event of an HMRC enquiry.

Please see the following Service Summary for further details.

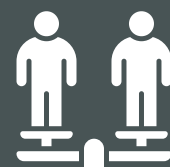
Our expert and professional defence will ensure your tax arrangements are treated correctly and fairly.



Subscribing to our Tax Investigations Service means we will:



Protect you against potential fees arising from professional representation during an HMRC enquiry.



Provide equal footing With HMRC from the outset.



Ensure your tax arrangements are treated correctly and fairly. Providing you with full representation and challenging HMRC's arguments.



Provide robust defence based on facts regardless of your ability to afford a defence.

Business legal helpline



Subscribers receive **24-hour access** to a business legal helpline. Available **365 days a year**, the team of qualified solicitors can assist with employment law, health and safety and commercial matters

Business Hub



Business Hub provides practical DIY templates and guidance on everyday legal issues around employment, health and safety, trading and contracts, cyber and data, debt and insolvency.

Tax Investigations Service Summary

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

The Tax Investigations Service can significantly reduce the financial burden you may face if you become the subject of an investigation by HMRC. We are pleased to offer what we believe to be one of the best Tax Investigation Services on the market.

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, NIC and CJRS]
- 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: and Inspection Powers/Sch. 36 Pre Disputes in respect of:

- VAT reviews and inspections
- Approved CV-19 scheme
- Employer Compliance Visits
- Check of Employer Records
- National Minimum Wage reviews
- Interventions
- Requests for information
- Capital Gain Tax
- Gift Aid Audits
- Construction Industry Scheme
- SDLT/LBTT/LTT* enquiries

*SDLT-Stamp Duty Land Tax/LBTT-Land & Buildings Transactional Tax/LLT-Land Transactional Tax enquiries are up to 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.
- Costs for third party valuations.
- Where there is no reasonable prospect of challenging HMRC [VAT, PAYE and IR35 Disputes].
- 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.

Business and Commercial Legal Telephone Helpline

The Business Legal Helpline operates on a team basis, without allocation of specific individuals, but all are qualified solicitors or barristers.

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 day 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 & 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 assessments
- Correct procedures in the workplace
- Understanding new legislation

Legal Telephone Advice Services



The telephone legal advice and Business 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 telephone 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.



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Get in touch

📍 Lumaneri House, Blythe Gate,
Blythe Valley Park, Solihull, B90 8AH

☎ 0121 693 5000

📍 West Point, Second Floor, Mucklow Office Park,
Mucklow Hill, Halesowen B62 8DY

☎ 01384 250202

www.jerroms.co.uk