

# 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 achieve the best possible result for you 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.**

## Expert legal support when you need it most

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
- ✓ free\* and unlimited

## Business Hub

Business Hub assists with everyday legal issues around employment, health and safety, trading and contracts, cyber and data, debt and insolvency.

The Business Hub provides practical DIY templates and guidance around these topics, which saves business time and money.

**Business Hub includes:**

- ✓ 850+ DIY contracts, policies, forms and letter templates
- ✓ 460+ guides
- ✓ 360+ 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

\*Calls from a landline will be charged at your local rate. Calls from mobile phones are charged at your network provider's rates in accordance with your tariff.

Tax Investigations Package

# The peace of mind you deserve

HMRC ENQUIRIES



# What are the risks?

As tax enquiries become ever more complex, explaining the intricate and unique tax positions of our clients to HMRC takes more time and consequently incurs more expense.

We want to achieve the best possible outcome without you having to worry about the time and costs involved in providing a full, robust defence. Having an expert with a thorough understanding of your business and tax affairs is key to dealing with HMRC enquiries effectively.

This is especially important with HMRC strengthening its compliance resources to target campaigns and cross-tax enquiries so that it maximises the tax it recovers.

## HMRC CONTINUES TO NARROW THE TAX GAP

In the financial year 2022 to 2023, HMRC generated total tax revenue of £814 billion – a figure that rises steadily each year and will continue to rise after HMRC recruited 4,000 new compliance staff in 2021/22 and transferred 2,500 staff back to compliance activities in September 2023.

The UK tax gap is estimated to be 4.8% and there has been a long-term reduction in the overall tax gap, falling from 7.5% in 2005/6. This means HMRC successfully secured 95.2% of all taxes.

Compliance yield jumped from £30.8 billion in 2020/21 to £34 billion: £4.7 billion was related to individuals and small businesses, £5.9 billion from wealthy individuals and mid-sized businesses, £8.6 billion from large businesses and £14.8 billion from other groups.

With HMRC's continuing investment in compliance, ensure you are protected with our comprehensive tax investigations package.

Source: HM Revenue and Customs Annual Report and Accounts 2022 to 2023



## 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 as a means of policing 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.**

Source: Claims settled by Markel Tax in 2022

### HIGH-NET-WORTH INDIVIDUALS

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, 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.**