

Your business is our business

## HMRC is making its move on tax compliance



tax compliance



With the huge deficit in Treasury funds, it is extremely likely HM Revenue & Customs (HMRC) will look to tax investigations to improve their finances. HMRC can now:

### Issue harsher penalties for non-compliance

There is a new penalty structure based on a variety of factors, including whether you've taken 'reasonable care'.

### Review multiple taxes simultaneously

HMRC can now review different taxes at the same time, so investigations will be complex and require significant partner time to deal with.

### Conduct targeted campaigns

There has been much media interest in HMRC targeting various professions such as medical professionals, vets and lawyers. We believe this type of targeted behaviour is likely to continue as the Revenue reaps the rewards from these campaigns.

In addition to all this, HMRC has estimated that there is a £40 billion 'tax gap' between what they collect and what they believe is owed to them.

Worryingly, HMRC has been targeted to reduce this figure by £7billion by 2011/2012.

### The risks to you

If you are subject to a tax investigation, a thorough defence for a typical enquiry can easily cost several thousands pounds. Tax inspectors can be extremely aggressive and we will have to prove your innocence. You'll need to justify your accounts, income and lifestyle, and this process takes considerable time.

Over the last few years, we have also seen a shift in the way the Revenue conducts enquiries. Investigations are now taking longer and longer to handle (typically 19 months) and require complex responses to the Revenue's allegations. This defence is required to properly uphold your accounts, but protracted enquiries will see the professional fees mount up.

Too many businesses are forced to concede to the Revenue's unreasonable demands, simply because they can't afford to contest the allegations – don't be one of them.



## Don't be caught out by the Revenue - subscribe to our Tax Investigation Service today!

### Our solution

---

The RDP Newmans LLP Tax Investigation Service is designed to alleviate this problem. It counteracts the HMRC threat by reimbursing the costs of your defence in the event that you are selected for enquiry.

Our service includes protection of up to £75,000 per claim for:

- Income Tax Full Enquiries
- Corporation Tax Full Enquiries
- Income Tax Aspect Enquiries (these enquiries have a £200 excess and a £5,000 limit)
- Corporation Tax Aspect Enquiries (these enquiries have a £200 excess and a £5,000 limit)
- Employer Compliance Disputes
- IR35 Disputes
- VAT Disputes



### Business Legal Helpline – 24 hour, 365 day a year access

As an additional benefit of our service, business clients who subscribe will have access to a Business Legal Helpline that covers a wide range of legal issues to help protect their businesses. We can advise on Employment Law, including redundancy and maternity rights; Health & Safety, such as risk assessments and legislation; and Commercial matters, for example, tenancy and debt recovery.

#### Harrow Office

Lynwood House  
373/375 Station Road  
Harrow  
Middlesex  
HA1 2AW

Tel: 020 8357 2727  
Fax: 020 8357 2027

#### Southend-on-Sea Office

457 Southchurch Road  
Southend-on-Sea  
Essex  
SS1 2PH

Tel: 01702 466 886  
Fax: 01702 442 180

[www.rdpnewmans.com](http://www.rdpnewmans.com)

[accounts@rdpnewmans.com](mailto:accounts@rdpnewmans.com)