

Tax Investigation Service



**Support, care and
protection for our
clients with our Tax
Investigation Service**

What could an enquiry or full investigation involve for a business?

HMRC has the power to inspect business documents and assets at your premises, can ask for documents and information, make unannounced inspections and go back up to twenty years to investigate matters.

In recent years HMRC have launched various checks on specific industries. It is not uncommon for a business to receive a letter from HMRC advising that they want to carry out a routine VAT or PAYE check. This sounds fairly innocent but can often lead to a more in-depth enquiry because they are entitled to review all transactions across the business. IR35 and employment status disputes also seem to be on the rise.



There has never been a better time to subscribe to our Tax Investigation Service. Subscribing clients will have free access to a specialist Unannounced HMRC visits Helpline.

HMRC can visit at any time and we think it is vitally important you can get the advice you need, when you need it.



Case Study: Cross Tax Enquiry

HMRC launched a “Cross Tax Enquiry” into an engineering company that encompassed a full review of all entries on the corporation tax return and four years of PAYE and VAT records.

It became evident very early on that HMRC was unsure exactly what they were looking for and were undergoing a fishing expedition.

The questions asked were very detailed and seemingly endless and after one meeting alone, over 100 questions followed. Despite the best efforts of the advisor, the enquiry dragged on for two and a half years. With only minor adjustments to be made, over £35,000 of fees were settled under the Tax Investigation Service.

What could an enquiry or full investigation involve for an individual tax payer?

Enquiries often involve a detailed examination of a specific item on a tax return whilst others may extend to a full review of an individual's personal affairs.

Since 2008, billions of pounds worth of extra tax has been clawed back and the reach of 'Connect' is ever growing.

We have experienced a number of enquiries asking for evidence to support the numbers reported on a tax return. A full investigation can involve protracted correspondence with HMRC and a recent example went over a two year period where HMRC asked for worldwide bank statements and credit cards to evidence lifestyle.



Case Study: Declared Information

HMRC considered they had information to suggest a client had not declared all of their income. They launched an enquiry and refused to tell the client what information they held. The enquiry lasted for over three years and cost over £11,000 to deal with.

It turned out HMRC's information was incorrect, but the accountant's fees were still settled under the Tax Investigation Service.

4 reasons why we think it is important to take out protection

1. HMRC is actively increasing its number of tax enquiries in order to raise more tax revenue.
2. Many tax enquiries are conducted at random so you could find yourself at the centre of a tax enquiry at any time, even if you have done nothing wrong.
3. The professional fees associated with a tax enquiry can amount to thousands of pounds. These costs are additional to our normal annual fees.
4. We know and understand your business and personal financial affairs and we want to provide you with the best possible defence saving you time and money in the long run.



HMRC conducted 337,000 tax enquiries last year, showing just how many UK taxpayers it suspects of underpaying tax.

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