

Tax investigation service



Tax investigations

- the facts

- HM Revenue & Customs (HMRC) has the right under law to inspect your books and records at any time.
- Under Self Assessment legislation HMRC investigate taxpayers at random.
- HMRC does not have to give a reason for an investigation or have any suspicion; no one is immune from investigation.
- A full investigation is likely to involve HMRC looking at all of your affairs.
- As an alternative to a full investigation, HMRC can raise an aspect enquiry, which will fall short of a full enquiry, but will instead concentrate on one or more aspects of the Tax Return.
- The average length of a full investigation is 19 months.
- Professional fees for dealing with an investigation often exceed £5,000.
- Tax investigations can disrupt the day to day running of the business.
- Price Bailey have developed a Tax Investigation Service which protects the cost of professional fees that are incurred in representing members of the service in tax investigation.
- The service is designed to alleviate stress for our clients of having to deal with an enquiry themselves, involving unforeseen costs.

The service

Business protection

The Price Bailey Tax Investigation Service is designed to reimburse our professional costs in the event of Self Assessment full and aspect enquiries for both corporate and non-corporate clients, including enquiries into the personal affairs of the directors and partners.

The service also reimburses the professional costs arising from the following:

- Employer Compliance Disputes
- IR35 Disputes
- HMRC VAT Disputes
- Schedule 36 Enquiries.

Our tax investigation service now includes furlough protection

The tax investigation service would cover you should HMRC choose to look into your furlough claims.

Private protection

The service extends to private individuals, who are not in business. For example the Inspector could investigate your Tax Return in respect of interest received and income from dividends, lettings etc. Inheritance Tax form are also covered for fees up to £5,000.

Range and limit of service

The Price Bailey Tax Investigation Service provides for reimbursement of up to £125,000 of professional fees in the event of an accepted claim on our practice policy.

The professional fees reimbursed include the fees of Price Bailey in representing you in the investigation or enquiry, and with prior approval and where necessary, any other experts who may be required.

The service does not reimburse you for additional tax, interest or penalties which may become due as a result of the enquiry, but will ensure that you can have the best representation, at little or no cost, so that you can deal with HMRC on an equal basis.

Are you at risk?

- Every sole trader, partnership and individual taxpayer can fall victim to a random Self Assessment investigation
- Any business is at risk of a full investigation and also examination of its P11D return of benefits
- Employers could have a PAYE or NIC audit which may lead to an investigation
- VAT registered businesses could have a control visit, many of which lead to an investigation and additional VAT.

Peace of mind

You are at risk, so let Price Bailey minimise the risk of having additional duties to pay by providing you with the best possible representation. Too often a commercial decision is made as to whether professional fees involved in continuing to contest the investigation outweigh the additional tax due. Members of the service are able to fully contest the investigation without this added pressure.

As a well established and highly respected firm, over the years we have developed a good relationship with HMRC. We will be on hand to advise you on all aspects of any investigation. This will help in keeping any investigation as short as possible and also in minimising the disruption to your business.

If you subscribe to the Price Bailey Tax Investigation Service, you will also have the added benefit of access to a free telephone helpline for legal advice on:

- Employment and personnel issues
- Health and safety
- Commercial issues.

Terms and conditions of the service

The service is designed to provide comprehensive protection. However, there are certain conditions and exclusions.

The main exclusions are as follows:

- Existing investigations and disputes at the time you subscribe to the service
- Investigations and disputes where your Tax Returns are late and in a penalty position
- Where there are allegations of fraud or other serious misdemeanours, for instance COP 9 investigations by the Fraud Investigation Service of HMRC
- Routine annual compliance work undertaken for you by Price Bailey
- Enquiries into tax planning arrangements where HMRC have allocated a Disclosure of Tax Avoidance Scheme (DoTAS) Number and/or bespoke tax planning arrangements outside of the normal trade.

It is also essential that you notify us immediately if you become aware of an event which may give rise to a claim.

Reimbursement of fees can only be made after written acceptance of a claim, so it is vital that we notify our insurers immediately if an investigation starts. Copies of the full terms and conditions of our service are available on request.

Clients are responsible for any fees that we cannot recover from our insurers.

Call the Business Legal Advice helpline on
+44 (0) 3452 500762 quoting reference "ABTAX".

Alternatively, please call your regular Price Bailey contact on
+44 (0) 8004 346460.

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Price Bailey LLP is registered to carry out audit work in the UK by the Institute of Chartered Accountants in England and Wales.