

Tax Investigation Insurance

Are you a UK Tax Payer?

**Do you know how much an HMRC
enquiry can cost you?**

**Did you know that however good your record
keeping that you could still be randomly selected
by HMRC for an Enquiry or Compliance Check?**

**Did you know this type of work is in addition
to your normal Accountancy fees?**

SOLAR TAXWISE TAX INVESTIGATION INSURANCE

What powers do HM Revenue & Customs now have?

Since April 2009 HMRC are able to visit business premises to inspect records covering all taxes including corporate, income, PAYE, NI, Capital Gains and VAT. They can now also issue written queries before you have even submitted your annual returns.

Can anyone's tax affairs be scrutinised by HMRC?

Anyone that pays tax can come under scrutiny. Every year, HMRC starts enquiries into many thousands of personal and business tax returns and accounts. VAT and PAYE payments are also thoroughly checked. The aim in every case is to collect more tax.

I've done nothing wrong, why should I worry about a tax enquiry?

Most tax enquiries are generated by computer "risk profiling" and many are selected completely at random. As a result, HMRC sometimes picks the wrong targets. Even if you've done nothing wrong, the taxman will not give up and will still try hard to find errors.

How much could a tax enquiry cost me in professional fees?

The questions asked by HMRC are usually very detailed and time-consuming to answer. The costs of defending you can easily run into thousands of pounds, even if little or no extra tax is owed at the end of the enquiry.

Is there anything I can do for peace of mind?

You can purchase Solar Taxwise Tax Investigation Insurance which will cover fees incurred up to £75,000 by your Accountant defending you in the event of a tax enquiry by HMRC.

What is Tax Investigation Insurance?

It is an Insurance arranged by your Adviser that will pay your Accountant to defend your tax position robustly for a modest annual premium should you be a subject of interest to HMRC. This insurance will provide the benefits listed opposite

What are the main benefits of the policy?

- Your Accountant will defend you should you receive any correspondence or a visit from HMRC.
- The potentially high cost of professional fees for that defence will be claimed under your insurance policy.
- It will not be necessary to accept unreasonable tax charges by HMRC because of concerns about professional fees.
- You will have unlimited free access to Telephone Advice Lines for TAX, VAT, Employment Law and Health & Safety

What is covered by the Policy?

Corporation Tax Self Assessment Enquiry	Status Disputes
Income Tax Self Assessment Enquiry	CIS Disputes
Schedule 36 Interventions & Inspections	National Minimum Wage Disputes
Business Record Checks	Inheritance Tax Enquiries
PAYE / NIC Compliance Visits	Child Tax Credit Enquiries
VAT Compliance Visits	Code of Practice 8 (providing fraud is disproved)

What is not covered?

Some costs will not be covered under the insurance, including the following:

Routine compliance work, e.g. preparing your tax return
Overseeing HMRC whilst they review your records
Outstanding taxes, penalties, interest or any other amounts due to HMRC.
Defence of clients in criminal prosecution cases or serious fraud enquiries
Fees relating to pre-existing tax enquiries.

What will a policy cost?

Your Adviser will provide details separately of the annual premiums that are payable. If that information is not enclosed with this leaflet, please ask your Adviser what the annual cost would be for you.

How do I buy a policy or obtain more information?

To obtain cover, please send your payment for the total payment due to your Adviser, unless otherwise stated.

If you need any more information, please call your Adviser and ask about Tax Investigation Insurance

Who provides the insurance cover?

Solar Taxwise Tax Investigation Insurance is provided by Solar Insurance Services (Medway) Ltd, who is authorised and regulated by the Financial Conduct Authority under the reference number 459582. The policy is underwritten by Irwell Insurance Co Ltd (FCA reference number 202897)

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Claims Statistics

"The number of claims made against the 2011/12 year was 46% higher than the previous year."

"The number of PAYE and VAT claims made against the 2011/12 year was 84% higher than the previous year, due in the main to the introduction of Taxwise Plus."

"There were 4,311 claims made against the 2011/12 year, just 0.04% were outright rejected with no payment made."

"In 2011/12 we paid out over £4.5m in claim payments."

HMRC ACTIVITY

"HMRC are targeted to deliver an extra £7billion in compliance yield each year by 2014/15."

"HMRC are doing what they have always done, they are just doing more of it. A combination of:

- Campaigns targeting taxpayers who declare incorrect tax (e.g. amnesty for electricians and home improvement trades)

- Task forces targeting specific businesses in specific locations, where evasion is suspected (e.g. indoor and outdoor markets in London, restaurants in the Midlands)

- General enquiry activity."

"The government spending review has made available £917m to tackle tax evasion, avoidance and fraud from 2011/12."

"More than 20 targeted task forces were launched in 2011. HMRC is planning to launch a further 30 by the end of 2012."

"The tax gap - the difference between the tax that HMRC thinks should be collected and the amount actually collected - is estimated to be more than £35 billion."

"HMRC have been targeted with reducing costs by 25%, whilst increasing the compliance yield. The Single Compliance Process aims to achieve this, by using HMRC resources more efficiently, by taking a more targeted approach to enquiry work."