

SOLAR TAXWISE TAX INVESTIGATION INSURANCE

What powers do HM Revenue & Customs now have?

As of 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.

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 it cost to join?

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 join 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 Services Authority under reference number 459582. The policy is underwritten by Irwell Insurance Co Ltd (FSA reference number 202897).



Solar Insurance Services (Medway) Ltd
Unit 7 Rochester Court
Anthony's Way
Rochester
Kent ME2 4NW

Phone Number: 01634 308696
Fax Number: 01634 308683

Email: info@solartaxwise.co.uk

Web: www.solartaxwise.co.uk

Claims examples

Building contractor subject to a Full Enquiry, PAYE & VAT Compliance Visit

HMRC targeted a group of companies, opening full enquiries into each of the group member's tax returns, including the group Directors' personal tax returns, as well as undertaking a PAYE and VAT Compliance Review. More than £10K of accountancy fees was incurred providing the books and records, submitting further detailed information in respect of each of the entities under enquiry and attending long and detailed meetings with HMRC. On completion, it was concluded by HMRC that no significant adjustments were required.

Property developer subject to a VAT Compliance Review

Following a VAT compliance review it was determined that given that the client was making both exempt and VATable supplies, they should not have recovered 100% of input tax in previous years. The client's accountant successfully disputed the assertion on the basis that the client was below the partial exemption de minimus limit, avoiding a potential liability in excess of £20K. Accountancy fees of £3.5K were incurred.

Husband and wife partnership subject to a Full Enquiry

A husband and wife partnership, which sold and installed double glazing were subject to a full enquiry. At the initial meeting HMRC alleged that the husband had been dishonest. However by the conclusion of the enquiry HMRC deemed that £129 of tax was repayable to the partnership and apologised, confirming the allegation of dishonesty was a case of mistaken identity. Accountancy fees were approximately £7.5K.



Tax Investigation Insurance

Are you a UK Tax Payer?

Do you understand the risk of Enquiry?

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?