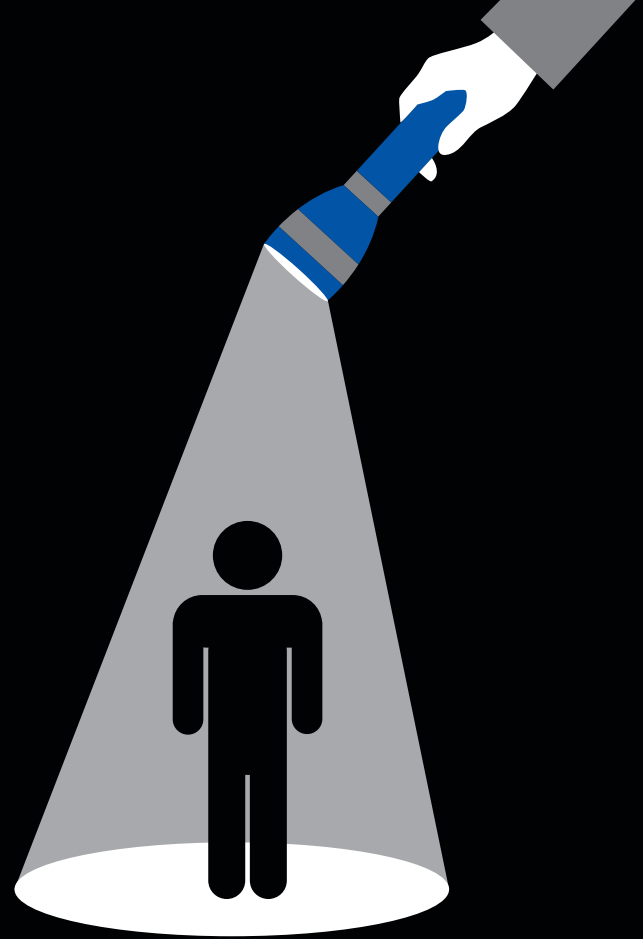


HMRC enquiries:

Could you be next?

Tax investigations update



Shining a light on HMRC activity



HMRC are identifying different sectors and working across all taxes to maximise revenue.



Expected revenue from compliance in the 1st Quarter of the 2019/20 tax year **more than doubled the amount achieved** in 2018/19.



Continued targeting based on intelligence, analysis and the ability to cross check using the 22 billion lines of data held by Connect is **reaping rewards**.



HMRC' success in reducing the loss of tax to the Exchequer was 30% better in Q1 of 2019/20 than the previous year.



But one thing never changes: the cost of defending an enquiry is unplanned, uncertain and an unwelcome challenge for most taxpayers.



And the cost of not getting that defence right, because you can't afford to do so, is potentially **huge**.

Based on HMRC compliance activity: who's next?

HMRC's investigations activity is driven by the risks perceived by the taxman.

No matter how good your reputation; no matter that your records are well kept; no matter that you are up to date with your compliance.

If HMRC are considering your industry or your sector, then the spotlight could shine on your business or your personal tax affairs.

It's business

HMRC's enquiry work has much improved its targeting:

- ✔ Risk teams to identify investigations targets; by sector, by industry, by individual tax return
- ✔ A Connect computer system that links Government Departments to the taxman
- ✔ The development of joined-up working practices

Businesses produced close to **an additional £20billion** in tax revenues in 2018/19 over the previous tax year. **But who is paying?**



Income Tax & National Insurance totalled 50% of the UK's tax receipts in 2018/19 and increased by 4%: closely reflective of the claims received by our insurers Market Tax over the last 5 years.



VAT: tax receipts rose by 5.4% last year. **35% of all claims are consistently VAT related.**



Corporation Tax: We believe tax revenues from companies could grow as we see more 'cross tax' enquiries into companies where large HMRC teams visiting for several days result in detailed follow-up, with **enquiries costing tens of thousands of pounds.**

It's personal

In 2018/19, HMRC collected **over £4billion in additional taxes** from compliance activity into **Individual taxpayers** and less than half came from the wealthiest individuals – indicating that all personal tax payers are at risk.

On average over the last 5 years, 27% of all claims focused on personal tax clients. They rarely cost less than £500 to deal with and some run into thousands. Whether you measure the cost in chargeable hours or number of years' subscription, this surely highlights the benefit of subscribing to the tax investigations package!



It could be you

So don't gamble with your defence – don't risk a higher tax bill

Our tax investigations package offers businesses AND individuals protection to ensure that when HMRC strike, our accountancy fees for dealing with an enquiry are provided for.

Comfort and peace of mind that we can provide a robust defence against HMRC. **You don't need to worry about the cost.**

