

# HMRC PROBABLY ALREADY KNOWS MORE ABOUT YOUR FINANCIAL AFFAIRS THAN YOU DO!

- Tax investigations can happen to anyone or any business at random.
- HMRC have increased tax receipts for seven consecutive years
- £28.9bn was delivered from compliance activity last year, including tax investigations and VAT inspections
- Last year over 80,000 calls and reports were made to HMRC's tax evasion hotline from disgruntled former employees, jealous competitors and jilted partners. A great many of these calls led to HMRC launching investigations.
- 46% of HMRC staff are dedicated to enforcement and compliance. Being subject to an investigation is one of the biggest threats facing you in the next few years
- Investigations driven by HMRC's new computer system "Connect" are much more commonplace -  
"Connect" holds more data than the British Library and while HMRC won't confirm all of its data sources it is assumed to include bank information, credit card data, online transaction data and Land Registry information.  
It was recently noted that any piece of data fed into "Connect" is tied up with an individual file within seconds. **HMRC probably already knows more about your financial affairs than you do!**
- Tax investigations can go on for years and HMRC have no liability for your costs even if the result is no more tax is payable.
- In addition to investigations driven by "Connect", HMRC undertake vast numbers of random investigations.

Based on our experience, we estimate the typical cost of an uncontentious inquiry is at least £5,000.

The following are all recent real life examples of investigations :

- ▶ *A farming partnership was subject to a 6 month long aspect inquiry. The return was deemed 100% accurate but fees of over £10,000 were incurred.*
- ▶ *HMRC opened an enquiry into an individual's residency status. Two years and £40,000 of fees later they accepted the original position.*
- ▶ *A property company was randomly selected for an Employer Compliance Review. No additional tax was ever paid but the company incurred £4,500 of professional fees.*
- ▶ *A doctor was subjected to an inquiry that lasted over a year and resulted in over £7,000 of fees.*
- ▶ *A parent who gifted a property to his children faced a Capital Gains inquiry which cost over £10,000.*

**If any of these cases worry you, don't take the risk ..... join French Duncan's Tax Investigations Service!**

WE MAKE OUR LIVING DEALING WITH HMRC AND WE **STRONGLY RECOMMEND** YOU JOIN OUR TAX INVESTIGATIONS SERVICE. WE BELIEVE ITS GREAT VALUE FOR MONEY AS WELL AS PEACE OF MIND.