



# Code of Practice 8 (CoP 8) investigation

Guiding our client through the process



A

high net worth individual received notification that HMRC were opening an investigation into his tax affairs under Code of Practice 8.

HMRC were particularly interested in the funds that the client and his wife had brought to the UK from offshore, and whether those amounts had been properly treated for UK tax purposes.

### The challenge

Although the individual had taken tax advice from their previous advisors, there were certain aspects of the treatment adopted in his tax returns which were not entirely technically correct and other aspects where the treatment adopted might be seen by HMRC as “aggressive” tax planning. The individual approached Blick Rothenberg to guide them through the investigation.

### How did Blick Rothenberg help?

We prepared a report on behalf of the client for submission to HMRC, setting out the detail of the funds brought to the UK and the basis on which we considered the amounts should be treated for UK tax purposes. The report included computations correcting the errors in the individual’s tax returns and provided explanations as to why the treatment previously adopted had been thought to be appropriate at the time. It also provided reasons why the stance adopted on some of the issues was not as aggressive as it might at first have seemed to HMRC.

### The outcome

After seeking clarification on a few minor matters, HMRC accepted the computations set out in our report and agreed with our submission that he had taken reasonable care in completing his tax returns. He therefore had a small amount of tax and interest to pay but no penalty.

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Fiona Fernie

Partner  
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