

HMRC Code of Practice 9 investigation

Managing HMRC suspicions of serious tax fraud under the Contractual Disclosure Facility (CDF)



The client found himself the subject of an HMRC Code of Practice 9 (“COP9”) investigation.

COP9 is used in cases of suspected serious fraud. Such cases require careful management, carrying as they do the threat of potential criminal investigation and prosecution. The client approached Blick Rothenberg for assistance in leading him through the Code 9 process following a recommendation from his solicitor.

How did Blick Rothenberg help?

We met with the client on a number of occasions and undertook a detailed review of his financial affairs to establish the original cause of the HMRC investigation.

It emerged that he had put in place an offshore structure through which his earnings from various offshore ventures had been channelled for a period in excess of twenty years, during which time he had remained UK resident. His understanding at the time at which the structure was put in place was that while the company remained offshore, there would be no UK tax implications.

We advised the client as to the potential additional tax, interest and penalties that HMRC were likely to seek and the figures provided to him early in the process provided the basis for those used in the final settlement. He was therefore aware from an early stage as to what he may owe.

We prepared a detailed disclosure report which provided HMRC with all the information required to be satisfied that the client’s UK tax position had been brought fully up to date. From a tax point of view, we adopted an approach in relation to the offshore income that ensured a favourable outcome was achieved and agreed with HMRC.

The outcome

By earning the confidence and trust of the client we were able to ensure that the disclosure report which was submitted to HMRC was as accurate and comprehensive as possible.



Thanks again to both of you for ensuring the preparation and submission of my report under this very formal and stressful process were done so thoroughly and smoothly. I am sure your approach and professional relationship with HMRC made the whole process so much easier, especially as you were able to show that my overseas interests were straightforward and transparent.



The result of this, and the collaborative approach adopted by us in terms of our relationship with HMRC, was that there was very little in the way of additional work required following the submission of the report. We negotiated with HMRC to ensure that the minimum penalties allowable under the circumstances were imposed and agreed a mutually acceptable payment plan between HMRC and the client.

We helped to reassure the client at all stages of the process and by pushing the case along to ensure a swift resolution; we reduced the inevitable stress that accompanies a Code 9 investigation to the absolute minimum.



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