

1. Can anyone's tax affairs be scrutinised by HM Revenue & Customs (HMRC)?

Anyone who submits any sort of tax return can come under scrutiny. Every year, HMRC start enquiries into many thousands of personal and business tax returns and accounts. VAT and PAYE payments are also thoroughly checked.

2. 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 may choose to investigate someone whose tax affairs are in order. Even if you have done nothing wrong, HMRC will be basing their enquiry on information they hold and may start from the position that there is an error.

3. I need to reduce my spending in the current economic climate. Why would I invest in this service?

Not paying for the Tax Investigations Fee Protection Service each year could be a false economy. The potentially high costs of arguing your case to HMRC in an enquiry will be much less affordable than the annual charge. One thing is certain: the level of debt the Government faces at present is only likely to increase the potential threat of an investigation.

4. I don't think I need this service. Why would you recommend it?

Like any other way you may plan to meet an unexpected expense, everyone hopes that they don't need the contingency plan. However, when a costly enquiry starts, clients are glad that they've subscribed to the service, not only because they know that they will not face unexpected additional fees but also for the professional support and peace of mind of having their advisors deal with HMRC on their behalf.

5. I already have some protection through a trade subscription or policy. Do I need this service too?

The cover afforded by other types of protection may be limited in value and not as wide ranging as the service we offer. Such policies may not pay our fees to look after you and could instead require that you use their preferred provider - who doesn't know you or your business - to deal with the enquiry.

6. Are there any wider benefits for my business when subscribing for the TIFPS?

Not only are HMRC enquiries into businesses tax matters covered but also where Blick Rothenberg are engaged to provide personal tax return services for the directors, spouses/civil partners of directors and the company secretary, enquiries into their personal returns are generally covered within the fee paid. This cover extends in a similar way to partners and their spouses/civil partners where we look after their personal taxation, and we are engaged to deal with the partnership return.

7. How much could a tax enquiry cost me in professional fees?

The questions asked by HMRC are often very detailed and time consuming to answer. The costs of dealing with HMRC's questions and liaising with you can easily run into thousands of pounds, even if little or no extra tax is paid at the end of the enquiry. These professional fees are not part of the recurring compliance service and so will be in addition to the normal annual fees paid to us.



8. Am I covered if HMRC do not open a formal enquiry but send me a letter asking me to check my tax returns?

The questions asked by HMRC are not always in the form of opening a formal enquiry, but they can send out what are referred to as "nudge" letters. Often these arise following receipt of information under the common reporting standard (also called exchange of information). Alternatively the "nudge" letter is issued as part of an HMRC campaign which may, for example, be into offshore portfolios and the existence of "offshore income gains" or investments into Enterprise Investment Schemes that have failed. These letters are not formal enquiries and as the letters may result in a disclosure, the professional fees covered have a reduced level of indemnity.

9. Can I subscribe to the service part way through the service year?

Yes, you may subscribe part way through a service year. The service year runs from 1 April to 31 March annually and the subscription fee if you join part way through the year will be pro-rated for the remainder of the service year including the month in which you subscribe. However, you should note that if you notify us that compliance services are no longer required, your subscription ceases immediately and there is no refund of any part of the fee paid.

10. My return for last year was completed by my previous firm, if I subscribe for the TIFPS will an enquiry into that return be covered despite the fact that Blick Rothenberg did not complete that return?

The service covers valid enquiries raised whilst we are engaged to provide compliance services as your agent and you are subscribed for the service, it is not linked to whether or not we completed that return. Similarly, if we are notified that compliance services are no longer required the cover ceases immediately (including any work on open enquiries) and an enquiry letter issued by HMRC, say, one week later would not be eligible for the service.

11. Blick Rothenberg are engaged to deal with our accounts and Corporation Tax returns, not for VAT/payroll services, does the cover extend to enquiries other than in relation to our Corporation Tax returns?

Where the company is engaged for accounting and Corporation Tax services, the cover extends to enquiries into the taxation matters of the business and would generally include, for example, enquiries into VAT, PAYE, transfer pricing and/or Capital Allowances.

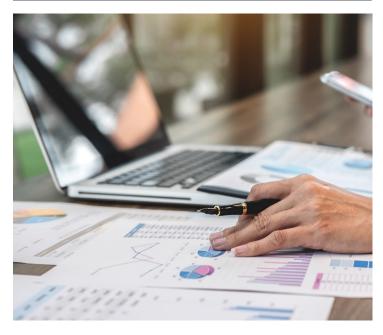
12. Blick Rothenberg are engaged to provide VAT compliance and advisory services only, can I/my business subscribe for the service?

We are pleased to be able to confirm that where we are only engaged for VAT compliance services it is possible to subscribe for the TIFPS and the cover will include enquires into VAT matters only.

13. What is your pricing?

The service year runs from 1 April to 31 March each year. Please see below our pricing categories for the full year including VAT. The cost for the service is calculated on a monthly pro-rata basis.

	Net	VAT	Gross
Private individual (non-trading) UK Dom	£400	£80	£480
Private individual (non-trading) Non-UK Dom	£725	£145	£870
Sole Trader / Self Employed	£500	£100	£600
Partnership	£950	£190	£1,140
Corporate entity with a turnover up to £10m	£950	£190	£1,140
Corporate entity with a turnover of £10m-£50m	£4,000	£800	£4,800
Corporate entity with a turnover of £50m+	Bespoke	Bespoke	Bespoke





Fiona Fernie Partner Private Client

<u>T</u> +44 (0)20 7544 8994

E fiona.fernie@blickrothenberg.com



Susan Spash
Partner
Private Client

T +44 (0)20 7544 8991

<u>E</u> <u>susan.spash@blickrothenberg.com</u>





16 Great Queen Street Covent Garden London WC2B 5AH

<u>T</u> +44 (0)20 7486 0111

E email@blickrothenberg.com

 $\underline{w} \text{ blickrothenberg.com}$