

Tax investigations under CoP 8



HM Revenue & Customs (HMRC) operate Code of Practice 8 (CoP8) in all cases other than tax fraud. CoP8 is operated where HMRC investigate under a civil basis.

What is Code of Practice 8?

HMRC can investigate a taxpayer's past tax compliance for many different reasons and in different ways, including CoP8.

HMRC can investigate matters on a civil basis for up to 20 years, plus the current tax year.

What are HMRC looking for?

HMRC investigate under CoP8 where facts are unclear or insufficient to determine whether or not the correct amount of tax has been paid each year.

What happens next?

HMRC may seek a meeting to seek answers to their concerns. HMRC may ask for a Report on all relevant matters in order that all the facts are ascertained.

Will I be prosecuted?

No.

Invariably, investigations under CoP8 do not lead to any criminal prosecutions. However, HMRC can withdraw CoP8 and issue CoP9.

Do I have to cooperate with HMRC?

It is always advisable to cooperate.

How much will I owe HMRC?

Not all investigations under CoP8 result in a Settlement being paid to HMRC.

Is this a "fishing exercise"?

HMRC are not allowed to undertake "fishing exercises". Most investigations are started based on information already in the possession of HMRC. HMRC are therefore likely to seek satisfaction that there is no case to answer.

What if any tax irregularities are found?

In the event that any irregularities are found, we can formulate a strategy and prepare your defence.

How Haines Watts can help

We will advise you:

- throughout the whole process
- on what strategy you may wish to follow
- on the cost of making a disclosure
- negotiate any liabilities with HMRC on your behalf

Haines Watts can advise you on how to organise your UK tax affairs in order to suit your current or future needs whilst being fully tax compliant.

To find out how Haines Watts can help, call Paul Malin on + 44 (0)7919 375 650 or email pmalin@hwca.com anytime