

Growth Share ownership Plans – a Settlement Opportunity



HM Revenue & Customs (HMRC) are offering Settlement terms for those taxpayers who want to come forward and achieve an element of certainty in their tax affairs by withdrawing from Growth Share Ownership Plans (GSOPS).

What is a GSOP?

Employees of a business is invited to invest money into the business and subsequently the employee receives money back based on different levels of outcome of the company's trading results.

HMRC will follow its Litigation and Settlement Strategy (which is the framework within which HM Revenue & Customs resolves tax disputes):

- Seeking information about the scheme being used;
- Introducing DOTAS to formerly register new schemes;
- Investigating all taxpayers concerned;
- Issuing Accelerated payment Notices (APNs) for all the taxes due (including NIC and corporation tax) which cannot be appealed;
- Leaving all tax returns "open";
- Litigating in court.

What is likely to happen next?

HMRC are now issuing penalties on participators in such schemes pending further litigation for those who have not sought a Settlement with HMRC.

The key terms of the Settlement Opportunity include:

- Tax relief may be given for certain costs incurred of the scheme if a Settlement is reached
- Tax and NIC can paid on any interest free loans under the benefits in kind legislation may be offset in any Settlement
- Amounts paid as capital gains tax and/or under APNs can be offset in any Settlement
- Settlements to be made in respect of all taxes including PAYE, NIC, corporation tax and capital gains tax
- Time to pay agreements can be negotiated
- The Worldwide Disclosure Facility may be available

How Haines Watts can help

We will advise you on the full terms of the revised Settlement Opportunity and the benefits it offers. We can then advise on the cost of seeking a Settlement and the timescales involved.

Haines Watts can negotiate a Settlement with HM Revenue & Customs on your behalf and facilitate discussions with any other intermediaries.

Going forward, taxpayers will have **certainty** that their tax affairs are fully compliant.

Contact Paul Malin on [07919 375650](tel:07919375650)/pmalin@hwca.com or Andy Maxfield on [07827 932299](tel:07827932299)/amaxfield@hwca.com