



TAX INVESTIGATION SERVICE SUMMARY

When you subscribe to our service we are able to make a claim against our insurance policy held with Professional Fee Protection in respect of our fees incurred when we defend a client who is subject to any of the following events:

A Full Enquiry – This is an extensive examination which considers all aspects of the self assessment tax return. It will involve a comprehensive review by HMRC of all books and records underlying the entries made on the return. It will also feature the issue of a notice under S9A/S12AC TMA 1970 or paragraph 24(1) Schedule 18 FA 1998.

An Aspect Enquiry – This is where HMRC enquires into one or more aspects of the self assessment tax return which may involve clarification of particular entries, to detailed consideration of whether those entries have been treated correctly for tax purposes. It may involve a check on the records upon which the particular entries were based. It will also feature the issue of a notice under S9A/ S12AC TMA 1970 or paragraph 24(1) Schedule 18 FA 1998.

A Business Inspection Notice – This is where HMRC exercise their power to request entry to a person's business premises and inspect the business premises, assets, goods and documents. It will feature the approval of an "authorised officer" of Revenue & Customs and the issue of an Inspection Notice for a short notice or unannounced visit or where the proposed inspection has been approved by the First-tier Tribunal. Routine business inspections which have not been approved by an "authorised officer" are NOT covered by this policy.

VAT Disputes – This is a challenge by HMRC to the accuracy or completeness of returns submitted. It will feature a disagreement over both the way in which VAT has been operated and over the amount of VAT due.

PAYE/NIC Disputes - This is a challenge by HMRC to the accuracy or completeness of returns submitted in accordance with Pay As You Earn Regulations. It will feature a disagreement over both the way in which PAYE has been operated and over the amount of PAYE/NIC due.

Pre-Dispute Cover – This is where it is considered necessary to involve us following a routine inspection/ compliance visit by HMRC. Pre-dispute cover is limited to a maximum of £1000 and will not extend to attendance at the initial compliance visit.

IR35 Disputes – This is where HMRC states a client should be subject to the IR35 legislation following a PAYE compliance visit or the issue of a notice under paragraph 24(1) Schedule 18 FA 1998. It will feature a disagreement over whether this legislation applies.

Code of Practice 8 Investigations – This is where Special Civil Investigations of HMRC launch an enquiry and issue Code of Practice 8 Booklet. The limit of indemnity for SCI cover is £5,000.

Application for a Judicial Review – This is an application (during the course of a valid claim under the policy) to the Administrative Court to challenge a decision of an official where no other legal recourse is available to the applicant. The limit of indemnity for SCI cover is £5,000.

Partners/Directors Cover – Where a partnership or limited company join our Tax Investigation Service we may also make a claim in the event of either an aspect or full enquiry into the personal returns of the partners and directors and their spouses and company secretaries. This automatic cover will not extend to rental income in excess of £50,000 per annum (before expenses) or any other business activities.

PAYE/VAT Compliance Visit Cover – This is where HMRC wish to carry out a routine PAYE/VAT Compliance Visit where it is agreed that professional representation is necessary and the matter cannot be dealt with by the client alone. The limit of indemnity is £1,000 per claim

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Client Legal Helpline

24 hours a day, 365 days a year



As a subscriber to the service you benefit from the client legal helpline.

- Advice from a dedicated call-centre by a team of legal consultants, barristers, solicitors and legal executives
- Unrestricted access to use of the service
- You can call regarding any commercial legal problem, including:
 - Legal contract matters
 - Landlord and tenant or property queries
 - Employment and health and safety matters

While the service is essentially provided by telephone, consultants will enter into correspondence with members where necessary. This could entail looking at any documents, which may be essential for the consultant to consider prior to giving advice, for example, contracts of employees, leases etc. Please note that the service does not extend to corresponding with third parties, only with the individual about their legal rights.

The Exclusions in our policy are as follows:

- The cost of making good any deficiencies in books, records, accounts or returns.
- Claims which originate from any matter which existed before the first period of insurance except where full disclosure has been made to us and the increase in risk has been accepted by us in writing.
- Returns which have been submitted more than 90 days late.
- Any claim involving the issue of Code of Practice 9 Booklet or involving Special Investigations (other than when issuing Code of Practice 8). More information can be found at www.hmrc.gov.uk.
- Disputes without a reasonable prospect of success.
- Costs or appeals which have been incurred or undertaken without our prior written authorisation or which are in excess of agreed quotations.
- IR35 disputes where no relevant written contract for services exists. Where such a contract does exist the terms contained therein must be strictly adhered to.
- Any claim relating to any non contracting party's right to enforce all or any part of this policy. The Contracts (Rights of Third Parties) ACT 1999 does not apply to this policy.

Service Period from 1 May 2010 to 30 April 2011

Please ensure that payment is received by **14 April 2010**

I confirm that I have read and understood the Terms and Conditions contained in this letter and agree that it accurately reflects my fair understanding of the services that I require you to undertake.

Signed: Date:

For and on behalf of: (Company Name)

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