

# Stressful, Expensive and Time Consuming



HMRC have the power to investigate anyone that submits a tax return

Tax Investigation Service



Harbour Key  
NAVIGATING YOUR SUCCESS

## HMRC is set with ambitious targets and is therefore continually investing in new technology and strategies to maximise its tax revenue.

HMRC are using a piece of highly efficient software which is accessing and trawling through your financial information right now.

The 'Connect' system is scouring vast databanks to unearth discrepancies between taxpayers and income, assets and transactions. However, sometimes they may not be correct and select the wrong targets.

We are constantly vigilant and stay up to date with the latest tax advances but you are still at risk of an investigation at any time.

### HMRC are conducting a record number of Tax Investigations and compliance checks.

The Government is faced with record levels of deficit. As it works to fill a public finance black hole, it has allocated significant resource to HMRC to yield increased tax revenue by carrying out compliance checks.

We have seen an increase in the number of enquiries raised on tax returns and the tax authorities now have more powers than ever to investigate UK taxpayers.

### Are you at risk of a Tax Investigation?

Yes, if you submit a tax return, HMRC may investigate you at any time.

Even if you have done nothing wrong, many Tax Investigations are conducted at random so you are still at risk of being investigated.

### What could an investigation involve?

Some investigations will involve a detailed examination of a specific item on a tax return others may extend to a full review of all your financial affairs.

HMRC can ask for documents and information, and go back up to six years to investigate matters.

When HMRC investigates it can drag on for a year or more, creating mounting costs and rocketing stress levels.

**We recommend that all of our clients should consider subscribing to the Tax Investigation Service we are offering.**

## Our Tax Investigation Service can help to protect you if HMRC come calling

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 (up to £100,000 per claim unless otherwise indicated) when we defend you if you are 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.

**IHT Cover** – This relates to an estate or trust where our involvement is considered necessary following the submission of an IHT return which has been wholly prepared by us. The limit of indemnity for this is £5,000.

Main exclusions: The costs of making good any deficiencies in books, records, accounts or returns or work ordinarily capable of being done by the client; claims which originate from any matter which existed before the first period of our insurance policy except where full disclosure has been made and the increase in risk has been accepted in writing; minimum wage, student loan and tax credit enquiries; ; returns which have been submitted more than 90 days late; any claim involving the Civil Investigation of Fraud procedure (Code of Practice 9) or specialist investigations/fraud investigations, except where a Code of Practice 8 booklet has been issued; IHT enquiries where we have not prepared the IHT return; matters relating to a business or trade. Full details are available on request.

**A recent HMRC crackdown brought in £29bn of unpaid taxes and HMRC now employ over 25,000 compliance staff.**

**4 reasons why we think it is important to take out protection**

1. HMRC is actively increasing its number of Tax Investigations in order to raise more tax revenue.
2. Many Tax Investigations are conducted at random so you could find yourself at the centre of a Tax Investigation at any time, even if you have done nothing wrong.
3. The professional fees associated with a Tax Investigation can amount to thousands of pounds.
4. We know and understand you, providing you with the best possible defence and saving you time and money in the long run.

**Sign up today to protect yourself from the cost of an investigation!**

---

**Harbour Key Limited**  
Midway House, Staverton Technology Park, Herrick Way,  
Staverton, Cheltenham, GL51 6TQ

T: 01452 713277  
E: [reception@harbourkey.com](mailto:reception@harbourkey.com)  
W: [www.harbourkey.com](http://www.harbourkey.com)

