

Partner profile



Andrew
Miles

Andrew works closely with clients of varying sizes helping and advising them on ways to develop their business, achieve their objectives and maximise their potential.

Successful businesses and businesses which are experiencing difficulties present different challenges and opportunities and Andrew enjoys working with all types of clients to help find solutions tailored to their individual requirements. Andrew lives in Canterbury with his wife Kim and two children. He joined Burgess Hodgson in 1983 and became a partner in 1990. On being made a partner he took on responsibility for training within the practice and firmly believes the training of the professional staff is vital for the future of the firm. He is a keen sportsman with a love of all sports. He regularly participates in the firm's sports events and still retains his place in the firm's five a side and eleven a side football teams. He and his family have an interest in horses and ponies and he is a regular supporter of many local equestrian events.

We are a leading firm of chartered accountants and business advisers, specialising in personal and corporate tax planning. Our experienced professionals have a strong reputation for providing quality technical advice and the ability to implement practical financial solutions as flexibly as our clients demand.

Building relationships has always been at the heart of our business. We understand that business success is measured by the strength of our relationships with clients. Our partners' technical skills, professionalism and business acumen is complemented by the commitment of our staff to provide our clients with the best service possible.

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Providing help to businesses and individuals on all their tax planning needs

feature article

Amnesty
or
ammunition?



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Amnesty or ammunition?

Burgess Hodgson is urging people with previously undisclosed income or gains to take advantage of what is being hailed as a tax amnesty.

Although HM Revenue and Customs' 'offshore disclosure facility' (ODF) is aimed at recovering unpaid tax on offshore accounts and overseas property, it has also been extended to cover undisclosed liabilities from British bank accounts.

Anyone taking advantage of the so-called amnesty has until June 22 to notify HMRC of their intention to declare their unpaid tax – in some cases dating back almost 20 years.

There is also the incentive to settle their affairs without a face-to-face meeting with an inspector – a fact that is expected to encourage far more disclosures.

But, although Burgess Hodgson is advising people to take advantage of the OFD, it says there's no guarantee that the Government's tax inspectors will not take the matter further – potentially leading to large penalties and criminal proceedings.

Under the terms of the facility, people will have to pay any outstanding tax and interest by November 26, but, critically, will escape any hefty penalties HMRC would otherwise have imposed.

Where the full amount cannot be paid, this must be notified to HMRC immediately, along with a statement of assets and liabilities and proposals for clearing the debt. No penalty will be charged on untaxed amounts of less than £2,500.

HMRC will then make a decision on whether or not it is satisfied that a full disclosure has been made and, in any event, by April 30 next year.

But, warns Mark Laughton, a partner at Burgess Hodgson, anyone making a disclosure must be extremely careful to ensure that it is correct and complete: failure to do so could result in higher penalties or more serious sanctions.

"With no guarantees from HMRC over immunity from prosecution, it is vital people seek professional advice before declaring any unpaid taxes under the deal," says Mark.

The offshore disclosure facility was set up after HMRC obtained significant amounts of information from banks and through the European Savings Directive about offshore accounts held by UK residents and companies.

Based on this information, it believes there has been a "substantial" underpayment of UK tax due by certain customers. In fact, recent press speculation has revealed that this figure runs into billions of pounds.

The offshore disclosure facility is the government's way of recouping some of this lost money – putting the onus on the taxpayers to come forward and benefit from a relatively benign scheme.

"The advantage of using this amnesty is that taxpayers will suffer a maximum financial penalty of 10% of the unpaid tax on that income," explains Mark. "And, while HMRC is not guaranteeing that individuals will not be prosecuted, anyone taking advantage of the facility and paying their tax due in full by the November deadline, should find they are in a better position than they otherwise would have been."

Restricting the penalty to 10% – rather than the maximum 100% where the taxpayer does not make a full disclosure – might seem like a good incentive. But, in reality, penalties are rarely anything like 100% so it may not be the fillip it's cracked up to – especially as there is no immunity from prosecution by the tax authorities.

"As part of the disclosure, it's likely HMRC will want to know the original source of the capital that has generated the income," explains Mark. "Even if the money has been obtained perfectly legally, but has subsequently been moved abroad to avoid paying tax, HMRC is likely to be less than forgiving."

The act of notifying within the timescale previously mentioned is also crucial to the process – notifications even a single day late will not be accepted. With the deadline of June 22 fast approaching, Burgess Hodgson is urging anyone who thinks they might want to take advantage of the offshore disclosure facility to seek help now – or risk missing the cut-off point.

"This is a clever move by HMRC," says Mark. "It will bring millions of pounds into the Treasury that might otherwise have escaped detection – or cost hundreds of man hours to track down."

"But, for taxpayers, it's not really the 'amnesty' that's being claimed. While the penalties seem relatively small, in reality if an individual made a full voluntary disclosure, they'd expect to receive a similar penalty. Our advice is simple: if you're unclear about what to do, make sure you get professional advice sooner rather than later – or risk facing the consequences."

Burgess Hodgson: forward thinking business advice

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