



## Tax enquiry fee protection service

An enquiry by HMRC into your tax affairs could be expensive and stressful; professional fees can quickly mount up. For an annual charge, our tax enquiry fee protection service offers cover for professional costs up to £125,000. This service is backed by Saffery's policy with Markel Tax, who are longstanding experts in tax professional fee insurance.

### Why do I need fee protection?

1. Tax investigations can happen to anyone. Although they are sometimes random, enquiries are often targeted according to risk factors and information held by HMRC. HMRC has access to a wide range of sources, such as banks, building societies, land registry, letting agents, DVLA and, increasingly, foreign data from overseas tax authorities. Even if your affairs are all in order, you may still be subject to an enquiry.
2. HMRC enquiries are becoming more frequent and taking more time to conclude, with costs often running into thousands and thousands of pounds. The investigation can be stressful, but having our tax enquiry fee protection service gives you peace of mind that our fees will be covered. This allows us to deal with the enquiry to achieve the best possible outcome for you without needing to worry about costs.

Whether it's a self-assessment tax return enquiry, a PAYE or VAT visit, or a detailed books and records investigation, our tax enquiry fee protection service is designed to support you through the process and get you a fair result. It is why we strongly recommend that all our clients consider signing up.

### How we can protect you

Tax investigations cannot be prevented, but the annual fee covers our fees relating to the enquiry, up to £125,000. This includes handling all communications, including letters, phone calls, and face-to-face meetings, challenging HMRC's technical arguments, ensuring HMRC is acting within the legal parameters, and supporting you towards a resolution.

You will get the benefit of our specialist expertise, without the additional worry of spiralling costs.

### A summary of the cover

Our tax enquiry fee protection service is backed by Saffery's insurance policy with Markel Tax. This runs each year from 1 October through to the following 30 September, but you may join at any point through the year by paying an apportioned fee.

Below are the details of exactly what it covers:

### Service protection

Our service will provide fee protection for full enquiries (up to £125,000) and aspect enquiries (up to £10,000) into:

- Personal tax returns,
- Corporation tax returns, and
- Partnership tax returns.

### Disputes into:

- VAT,
- Employer compliance (PAYE, P11D, NIC & CJRS),
- IR35, and
- Schedule 36 pre-disputes (including enquiries into Job Retention Scheme Grants).

### HMRC use of Information and Inspection Powers/Sch. 36 Pre-Disputes in respect of:

- VAT control visits,
- Employer compliance visits,
- Check of employer records,
- National Minimum Wage reviews,
- Interventions,
- Requests for information,
- Capital gains tax, and
- Approved Covid-19 schemes.

## Code of Practice (CoP) 8 and 9 enquiries (up to £25,000 limit of indemnity)

Fee protection of up to £5,000 is provided in the event of:

- Inheritance tax enquiries,
- SDLT enquiries,
- Gift Aid enquiries, and
- Land or Property Transaction enquiries.

Fee protection of up to £1,000 is provided in relation to each HMRC nudge letter. These are issued by HMRC to query whether all tax information has been reported on your return. HMRC do not always mandate a response to nudge letters. Nevertheless, time may need to be spent to establish whether a response action is required.

### Case Study 1: A High Net Worth Individual

HMRC challenged a large loss relief claim. The enquiry took six years and was resolved via alternative dispute resolution where an agreement was finally reached with HMRC. The cost of the enquiry was over £75,000.

### Case Study 2: Business – Cross Tax Enquiry

HMRC undertook a full review of the accounting records of the business and the tax affairs of the owners of a care sector group. All taxes were reviewed and required extensive input from the practice, with HMRC officers spending five days on site. 18 months later the enquiry closed with a significant tax settlement, and accountancy fees of £40,000.

## Main exclusions

- Fees incurred prior to the written acceptance of a claim. We will deal with the claims process on your behalf.
- HMRC specialist investigations, civil investigations of fraud, criminal investigations sections, fraud investigation service and counter-avoidance sections as well as cases of suspected fraud, eg Public Notice 160 enquiries.
- Returns submitted more than 90 days after the due date.
- Notification by HMRC of any of the above prior to subscribing to the service, or after ceasing to be a client of Saffery LLP.
- Failure to notify/register for tax or VAT in relation to an enquiry raised.
- Compliance costs associated with routine submission of statutory returns, eg P11Ds, Real Time Information (RTI) returns, CIS returns etc.
- Where there is no reasonable prospect of challenging HMRC (VAT, PAYE and IR35 disputes).
- Costs for third party valuations.
- Tax planning arrangements where HMRC has allocated a DoTAS number and/or bespoke or contrived tax planning arrangements outside the normal trade.

As the insurance policy is with Saffery rather than you directly, we have discretion over carrying out work if an investigation arises, although we anticipate that it will be very rare for us not to perform the work.

## How to sign up

To subscribe for our tax enquiry fee protection service, please make payment using the details in the table below.

For new clients registering to our service, we would recommend that you kindly make payment as soon as possible so that cover can commence. By subscribing to this service you are also confirming that you have read and understood the information contained within this factsheet.

Please note that payment is a condition to the fee protection service being made available and the protection will be void if payment is not made. If the fee is not paid when due, any Saffery professional fees arising between the registration date and the payment date in relation to a fee protection matter will not be covered and you will be liable for them.

Please note that tax enquiry fee protection is only available for entities which are clients of Saffery LLP for which we provide tax compliance services. In the event we cease to act for the entity, the tax enquiry fee protection service will also cease and the fee paid shall not be refundable. In the event your claim is unsuccessful, or fees are not covered by the claim proceeds, you will need to settle any outstanding fees with us. We will notify you before commencing work if this is the case.

Reference	Please see the email you have received
Bank	Coutts & Co
Account name	Saffery LLP
Account number	00650188
Sort code	18-00-02
Swift code	COUTGB22
IBAN	GB45 COUT 1800 0200 6501 88

## Law Hub

Clients who subscribe to this service may also benefit from access to the Law Hub. Law Hub assists with everyday legal issues around employment, health and safety, trading and contracts, cyber and data, debt and insolvency. Law Hub provides practical DIY templates and guidance around these topics. Law Hub is written and created by a team of legal experts.

## Business and commercial legal helpline

As an additional benefit of subscribing to the service, business clients receive unlimited access to Markel's business legal helpline. This is a 24-hour, 365 days-per-year telephone advice service manned by a highly experienced team of barristers and solicitors.

The helpline provides a wide range of companies and organisations with legal and commercial, employment and health and safety advice.

## Commercial advice

There are many areas within a business that, if not handled correctly, can take a substantial amount of resources to resolve. The legal advisers will be at hand to provide you with details of the relevant and current legislation in respect of any guidance you may need on matters including:

- Employment law,
- Health and safety assessments and advice,
- Intellectual property,
- Small claims court procedures,
- Business tenancies,
- Debt recovery,
- Dealing with complaint letters (asserting rights), and
- Dealing with statutory demands.

## Contact us

For more information about our tax enquiry fee protection service, please speak to your usual Saffery contact or email: [TEFP@saffery.com](mailto:TEFP@saffery.com)

## About the legal telephone advice service

The telephone legal advice is provided by Markel Law LLP and can advise on general UK law. Markel Protection Limited is a corporate member of Markel Law LLP. Markel Law LLP is regulated and authorised by the Solicitors Regulation Authority. Markel Law makes no additional charge for providing these telephone services. The advice will primarily be provided by Markel Law LLP and its team of solicitors, who are ultimately managed by the Director of Legal Services (who is a lawyer). We are not involved in the provision of these services and accept no responsibility in relation to it.

If the client has a complaint about these telephone legal advice services, they should contact the customer services manager, Markel Law LLP, Interchange, 81-85 Station Road, Croydon CR0 2AJ. If the client is unhappy with the written response from the customer services manager, the client may contact the Legal Ombudsman at PO Box 6806 Wolverhampton WV1 9WJ, or [www.legalombudsman.org.uk](http://www.legalombudsman.org.uk), or 0300 555 0333 and ask them to consider the matter. The Legal Ombudsman will only consider matters which have been submitted to it within the earliest of the following timescales: (a) within 1 year from the act/omission complained of; (b) within 1 year from when the client should reasonably have known there was a cause for complaint, without taking advice from a third party and; (c) within 6 months of the client receiving a written reply from Markel Protection Limited concerning the complaint.

If you also wish to make Markel Tax aware of the complaint, please contact the customer services manager, Markel Tax, Eleven Mitchell Court, Castle Mound Way, Rugby CV23 0UY. T: 0345 223 2727.

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