

Code of Practice 9 (July 2011)

Introduction

HM Revenue & Customs (HMRC) will investigate any situation where they suspect serious tax fraud. The investigation will be undertaken with or without your voluntary co-operation. If you do co-operate, the investigation will proceed more quickly, efficiently and advantageously for both parties than if you refuse to co-operate. This Code of Practice is designed to help you make an informed decision on co-operation by telling you how HMRC carry out such investigations and how, through full co-operation and disclosure of irregularities, you may achieve a significant reduction in any penalty found to be due and avoid other unwelcome consequences, for example insolvency and the publication of your name. The Code of Practice covers all taxes and duties administered by HMRC.

HMRC will keep an open mind to the possibility that there may be an innocent explanation for the suspected irregularities and they undertake to treat you fairly and courteously and in accordance with the law.

Civil investigation of fraud statement

The practice of HMRC in cases of suspected serious tax fraud is as follows:

- The Commissioners reserve complete discretion to pursue a criminal investigation with a view to prosecution where they consider it necessary and appropriate.
- Where a criminal investigation is not considered necessary or appropriate, the Commissioners may decide to investigate using the Civil Investigation of Fraud procedure.
- Where the Commissioners decide to investigate using the Civil Investigation of Fraud procedure:
 - the taxpayer will be given an opportunity to make a full and complete disclosure of all irregularities in their tax affairs and in the affairs of any entities for which they have been responsible
 - HMRC will not seek a prosecution for a tax fraud committed in any period before the date when they first informed you of their decision to investigate using the Civil Investigation of Fraud procedures. The assurance that the Commissioners will not seek prosecution therefore only applies retrospectively.
 - However, where materially false statements are made or materially false documents are provided with intent to deceive in the course of a civil investigation, the Commissioners may conduct a criminal investigation with a view to a prosecution of that conduct.

If the Commissioners decide to investigate using the Civil Investigation of Fraud procedure the taxpayer will be given a copy of this statement by an authorised officer.

Outline

HMRC have issued this Code of Practice because they have grounds to suspect that there are irregularities in your tax affairs which they would like to discuss with you. This investigation is being conducted with a view to the imposition of a civil penalty for fraudulent conduct, if their suspicions are confirmed. The investigation is **not** being conducted with a view to your prosecution for any tax fraud committed in any period before the date that HMRC informed you that they were investigating under the Civil Investigation of Fraud procedures.

The aim of the investigation is to uncover the full facts, determine the tax liabilities arising and collect these together with interest and, where appropriate, civil penalties for fraudulent conduct.

HMRC will invite you to make a full disclosure of all tax irregularities. This will be your only opportunity to secure the maximum benefit from making a full and complete disclosure of all irregularities in your tax affairs. HMRC may request that you attend a meeting with them to discuss and agree the format of your disclosure and to obtain information about the nature of the irregularities.

It is a matter for you to decide whether or not to attend and respond. If you do HMRC will ask you to explain the full facts.

Generally HMRC also ask you to prepare a report detailing the nature, extent and reason for those tax irregularities, together with supporting evidence. They will agree a timetable for submission of your report at the meeting.

When you submit your report HMRC test that disclosure, before seeking an agreement with you as to the amount of additional tax, interest and penalties and make arrangements with you for payment. You will be expected to make payments on account during the investigation.

If you choose not to attend or respond, HMRC will conduct a thorough investigation of your tax affairs and will take into account your conduct during the course of the investigation in determining the level of any penalties due. Where you have a tax debt but you refuse to make a payment, HMRC may commence immediate preventive action to protect its position. Actions include insolvency and bankruptcy petitions, applications for court freezing injunctions over bank accounts and assets, and the imposition of Securities in appropriate cases.

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Confidentiality

You have a right to the same high degree of confidentiality as all customers. HMRC will only give information to others outside HMRC when authorised to do so or in circumstances allowed by the law.

It may be necessary for HMRC to seek information about you or your business from other people or organisations. If this is the case, they will be as discreet as possible about the reasons for their enquiries.

HMRC may seek a mandate from you to approach a third party such as a bank. They will sometimes need to use their legal powers whether or not you have given them a mandate.

Professional representation

HMRC would encourage you to appoint a professional adviser to represent you during their investigation although this is a matter for you to decide.

You should give your professional adviser all the facts because you are personally responsible for your tax affairs and the accuracy of any information supplied to HMRC. You are also responsible for ensuring that your adviser complies with timetables agreed between you and HMRC.

HMRC expect high standards from professional advisers. They will normally deal with your adviser but if there are delays or difficulties they may deal directly with you.

Starting the investigation

Before HMRC begin an investigation they will look at information in your returns, accounts and statements, and from other sources. They may also contact other people or organisations before they contact you or your professional adviser.

You should ensure you read this Code of Practice in full as soon as you receive it. If you decide to co-operate with HMRC, and you are under no obligation to do so, they may regard attendance at meetings as an important part of that co-operation. Meetings give you both a chance to ask questions and clarify points as the investigation progresses. You are free to leave a meeting with HMRC at any time if you choose to do so.

Please tell HMRC in advance if you need an interpreter or have any special needs so that they can take these into account when they prepare for the meeting.

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What happens at a meeting

The meeting may be held at your office or home, at an HMRC office or at your adviser's office.

At the start of any meeting, HMRC will explain the purpose of the meeting and their approach to the civil investigation of serious fraud. They will not reveal to you the information they hold that has given rise to their concerns. This is because the aim of an investigation under this Code of Practice is to give **you** the opportunity to make a full and complete disclosure of all irregularities. The opportunity to make a disclosure:

- extends to all aspects of your taxation affairs and the taxation affairs of entities for which you have had any responsibility including partnerships, companies, trusts or other entities
- covers all taxes and duties administered by HMRC
- covers any period before the date when HMRC first notified you of their decision to investigate using the Civil Investigation of Fraud procedure

It is a matter for you to decide whether or not to speak to HMRC or assist them generally in their investigation. If you do speak to HMRC they may use what you say or any information you provide, in assessing your liability to tax or to a penalty. They may also seek to give evidence of this in any appeal proceedings.

If you decide to proceed, the next stage will be to ask you to respond 'yes' or 'no' to some formal questions.

See [Appendix 1](#) for questions regarding direct taxes.

See [Appendix 2](#) for questions regarding VAT.

For other indirect taxes and customs and excise duties the formal questions will be issued with this Code of Practice.

Exceptionally, these questions may be modified to fit the particular circumstances of the case. You should consider your answer to these questions (in consultation with your tax/legal adviser) before you attend the meeting.

At meetings HMRC expect you to be truthful, to tell them all relevant facts and to co-operate fully in putting your tax affairs in order. If you are unsure whether particular facts are relevant, you should tell them anyway. They do not necessarily expect precise quantification of irregularities at the time of any initial meeting. HMRC will however ask for an estimate of the amounts involved, how the irregularities occurred, the period covered and what evidence you will use to determine the correct tax figures.

During any initial meeting HMRC will make clear to you whether the questions they ask are relevant to direct taxes, indirect taxes or both.

If you make a disclosure

If you tell HMRC that there are matters that need to be disclosed, they may invite you to provide a Disclosure Report, the nature of which will depend on the individual circumstances of the case. Areas to be covered in the report will be:

- a brief business history
- the nature of the irregularities and how they came about
- the extent of the irregularities
- steps taken to verify amounts with supporting documentation and any assumptions made
- a detailed schedule of the irregularities for each period involved for each tax

HMRC will agree a timetable for producing this report at the meeting. The timetable for producing a report will vary according to the complexity of the case and volume of work required. If you cannot agree a report timescale, or you fail to submit your report by the agreed deadline, HMRC may decide to carry out its own work instead. You would then lose your opportunity to earn full credit for co-operation, and any penalty would be higher.

Non-report cases

In some cases HMRC may decide they do not need you to prepare and submit a disclosure report. For example they may think that you have not told them about everything that is wrong, so any report made on that basis will be incomplete. In these cases HMRC may begin their own investigations immediately after they have spoken to you.

In other cases the errors that you have disclosed at the meeting may be so straightforward and limited that no report is needed.

During an investigation

It is HMRC's intention that they reach an agreement with you about how much is due and how much is to be paid, and when. They expect you to demonstrate a willingness to agree realistic proposals to make early payment of arrears.

**HMRC will invite you to make payments on account towards any tax arrears, both at the initial meeting, and throughout the enquiry.
Payments on account will reduce any interest charges.**

They will send you a summary of the main issues discussed at any meeting to agree, or amend, and you will be asked to sign and return it.

You must stop any irregularities immediately. HMRC may carry out a compliance inspection to check that you have done so. Your disclosure report and subsequent returns must reflect the correct position. If they discover that

the irregularities have continued during the course of the investigation this may result in criminal investigation with a view to prosecution in relation to what you have done since being given this Code of Practice, or a higher level of penalty.

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If you do not make a disclosure

If you do not make a disclosure HMRC will undertake their own investigation, using statutory information powers (including to third parties) if necessary. If they discover irregularities they will issue formal assessments and pursue collection of unpaid tax with interest. You will also have lost your opportunity to earn any credit for co-operation, and any penalty would be significantly higher.

(Note that where penalties for inaccuracies are charged on a company for periods after 1 April 2008, HMRC may be able to pursue individual company officers for part or all of the penalty.)

If you try to avoid paying your liabilities or if you attempt to dissipate your assets HMRC may also use insolvency action to ensure that they are able to collect the money that they believe to be due. These actions could include:

- personal bankruptcy
- compulsory liquidation
- appointment of interim receivers or provisional liquidators
- obtaining civil freezing orders over your bank accounts
- obtaining legal caution over property

HMRC may also seek to impose or increase an amount of Security which you will have to pay before they make any VAT repayment to you.

If you do not co-operate with their enquiries they may use statutory information notices. These are backed by financial penalties, up to an unlimited tax-related penalty.

If you have committed a fraud in relation to a tax period after 31 March 2010, then HMRC may be able to publish your details. However, you can earn exemption from publication by fully co-operating with their investigation. More information on when HMRC publish details of deliberate defaulters is available at the end of this Code of Practice and in factsheet [CC/FS13 Publishing details of deliberate defaulters \(PDF 61K\)](#).

What happens in cases where HMRC ask you to prepare a Disclosure Report

HMRC will discuss the Disclosure Report with you and your advisers. They will monitor closely preparation of the Disclosure Report to ensure it is

progressing to the agreed timetable. This will usually involve regular meetings with your advisers. HMRC will suspend their own enquiries into the period before the date when they first notified you of their decision to investigate using the Civil Investigation of Fraud procedure until they receive the Disclosure Report, if they are satisfied that matters are progressing towards a full disclosure of tax irregularities within a reasonable period of time. However HMRC may continue to make checks, inspections and control visits for periods after the date they gave you this Code of Practice.

HMRC will carry out the investigation themselves if they are not satisfied with progress and will tell you in writing if they need to do this. If this happens it will be reflected in the level of any penalties charged. HMRC may also consider using insolvency action, Security, civil freezing orders over bank accounts, legal cautions over property and enforceable information notices, as in the case of non-disclosure (see above).

It is your responsibility to ensure the Disclosure Report is accurate and complete to the best of your knowledge and belief. If you are satisfied that your report is a complete account, it should be signed by you as representing a full disclosure of irregularities, and submitted within the agreed timescale. HMRC will ask you to certify that this is the case and they will not accept the report as your disclosure unless you do so.

Making a statement you know to be false may render you liable to prosecution

You may be asked for other certified documents such as statements of your assets and liabilities and of bank and other accounts including debit and credit cards operated.

Once the signed report has been received, HMRC will test the information supplied to satisfy themselves that it is correct and complete. In doing so they may need to exercise their legal powers to obtain information. Sometimes the law allows HMRC to do this without your knowledge or approval. If they disagree with or need to clarify any aspect of the report, it may be necessary to have a further meeting, at which they will make every effort to resolve these issues and reach an agreement with you.

Your costs

You have to pay for any costs that you incur in dealing with HMRC's investigation, including the fees of a solicitor, accountant or other professional adviser.

HMRC know that dealing with their enquiries can cost you time and money, so they will make sure that their enquiries are reasonable and necessary to your case.

They will close their investigation as soon as they are satisfied that your tax affairs are in order or settled.

Keeping you informed

You can ask HMRC at any time to explain:

- your legal rights
- why they have taken a particular action
- your obligation under the law

You can ask for these explanations even if HMRC have already given them to your professional adviser. They will deal promptly with letters from you or your adviser. If they cannot do so they will let you, or your professional adviser, know the reason for the delay.

You have the right to ask HMRC why they are continuing with their investigation if, for example, you believe that you have provided all the relevant information and explanations. If you ask HMRC, they will, where possible, indicate their expected timetable for reviewing and testing the disclosure report. It may be necessary for HMRC to seek information from other people or organisations. They undertake to do this as expeditiously as they can and to keep you informed.

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Providing information

HMRC will ask you for the information and documents that they need. They will give you a reasonable amount of time to provide any information.

You should tell HMRC straight away if you have difficulty obtaining the information they have requested and they will discuss with you how you might obtain it. You should also tell them if you think the information is not relevant to their investigation. HMRC will discuss and try to agree the situation with you.

You should ensure that any information you provide and any answers you give are correct. If you are unsure about any matter you should say so. It is important that you give HMRC all the relevant facts even if you are in doubt about the tax consequences of a particular matter.

Records

Please make sure that you keep all existing records, including computer records, during HMRC's investigation whether or not you are required to do so by law. They may ask to see your business and private financial records.

They can arrange to examine these at your premises. Where necessary they may ask to retain original records or copies.

There may be occasions when HMRC exercise statutory powers conferred on them and remove certain records from you. If this happens, you will be provided with a receipt for those documents. If asked HMRC will provide copies to you and at the end of the investigation they will return the originals to you.

Reaching an agreement

If HMRC's investigation finds nothing wrong with your tax affairs they will let you know that their investigation has finished.

Once they have agreed the nature and extent of any irregularities, the procedures for concluding the investigation and paying amounts due are slightly different for direct and indirect taxes.

Direct taxes

HMRC will try and reach an agreed figure with you covering the amount of tax, interest and penalties due. They will only suggest adjustments that they consider to be reasonable in the light of the information they hold. You should ask HMRC to explain if you do not understand any of the figures they may propose. They will invite you to sign a letter offering to pay an agreed sum and if they agree the sum they will issue a letter of acceptance. This exchange of letters is a legal contract between you and HMRC and you are both bound by its terms.

Indirect taxes

HMRC will write to you informing you of the amount of tax, interest and any penalty due. If you do not agree with the contents of the letter you can send them any comments or additional information.

Where you do agree, you will be asked to sign and return a copy of the letter. Once HMRC have received this, they will write to you formally notifying you of the assessment for tax, interest and any penalty. They will also ask you for your payment, less any amounts paid on account. Whilst tax subject to interest charges remains unpaid, interest charges will continue to accrue.

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If you cannot reach agreement

If you cannot reach agreement HMRC may seek to formally determine the tax, interest and penalties they consider appropriate. They will use information or documents that you provided during the investigation in any proceedings to determine your liability to tax, interest and penalties.

You have the right to appeal any formal determination of tax or penalty.

Appeals are heard by the independent First-tier Tribunal (Tax).

How interest and penalties are worked out

Interest is calculated on any tax paid late. In some cases HMRC could also charge you a surcharge.

Penalty rules depend on which periods are affected, as follows:

- Income Tax, Corporation Tax, Capital Gains Tax and VAT periods beginning on or after 1 April 2008, and for which the return is due on or after 1 April 2009, come under the Penalties for Inaccuracies rules
- for other taxes and duties, the Penalties for Inaccuracies rules apply for tax periods beginning on or after 1 April 2009, and for which the return is due on or after 1 April 2010
- all other periods - 'old rules'

You may therefore be liable for penalties under the old rules for some periods and under the Penalties for Inaccuracy rules for other periods. If this is the case, the different penalties will be calculated separately, under the different rules.

Penalties - 'old rules'

The maximum penalty for both direct and indirect tax is an amount equal to 100 per cent of the tax understated. The level of penalty can be significantly reduced in certain circumstances.

For direct taxes HMRC can charge you a penalty for an incorrect tax return if it was delivered fraudulently or negligently or if you find that it is incorrect and fail to correct the error within a reasonable time.

For indirect taxes, if HMRC identify irregularities due to dishonest conduct, a civil evasion penalty will normally be applied.

How 'old rules' penalties can be reduced

It is for you to decide whether or not to co-operate and make a full disclosure. You should be clear that for both direct and indirect taxes there are arrangements to reduce penalties where you do choose to co-operate and disclose.

You should tell HMRC about anything you think is relevant when they are working out the penalty to charge.

Direct taxes

When calculating any penalty HMRC will take into account:

- Disclosure - a reduction of up to 20 per cent (30 per cent for full voluntary disclosure where there was no fear of early discovery by HMRC). This reflects the extent of any voluntary disclosure of irregularities you make.
- Co-operation – a reduction of up to 40 per cent. If you supply information quickly, attend interviews, answer questions honestly and accurately, give all the relevant facts including full written disclosure and pay tax on account when it becomes possible to estimate the amount due, you will then get the maximum reduction.
- Seriousness – a reduction of up to 40 per cent. This reflects the seriousness of your errors or omissions.

Indirect taxes

The maximum penalty of 100 per cent tax evaded is reduced by an amount which depends on whether you have disclosed full details of the true VAT liability, and by the extent of your co-operation during the whole enquiry.

Reductions from the 100 per cent penalty figure will normally be made, to the maximum percentages specified, as follows:

- up to 40 per cent - early and truthful explanation as to why the arrears arose and the true extent of them
- up to 40 per cent - fully embracing and meeting responsibilities under this procedure by, for example, supplying information promptly, including full written disclosure, attending meetings and answering questions

In most cases, therefore, the maximum reduction obtainable will be 80 per cent of the culpable tax. In exceptional circumstances however, consideration will be given to a further reduction, for example, where you have made a full and unprompted voluntary disclosure.

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Penalties - 'new rules'

Penalties for Inaccuracies

The new rules apply in the same way to all taxes and duties affected by them. Where the Penalties for Inaccuracies apply a person may be charged a penalty where they give HMRC an inaccurate document and the inaccurate document either amounts to or leads to:

- an understatement of the person's liability to tax
- a false or inflated statement of a loss by the person
- a false or inflated claim to repayment of tax

and the inaccuracy was:

- careless
- deliberate
- deliberate and concealed

If our suspicions of serious fraud turn out to be justified, HMRC will expect to charge penalties for deliberate inaccuracies, or for deliberate and concealed inaccuracies, depending on the facts. Penalties for careless inaccuracies may also be charged where appropriate.

A penalty for a deliberate inaccuracy will normally apply where you deliberately:

- understate the tax you owe
- choose to misrepresent your liability
- overstate a claim

A penalty for a deliberate and concealed inaccuracy will normally apply where you take active steps to cover up a deliberate inaccuracy.

The normal maximum and minimum penalty for each inaccuracy depends on the behaviour that caused it as follows:

- inaccuracy despite taking reasonable care - no penalty
- careless inaccuracy - between 15 per cent and 30 per cent
- deliberate inaccuracy - between 35 per cent and 70 per cent
- deliberate and concealed inaccuracy - between 50 per cent and 100 per cent

The figures are percentages of the tax lost.

If you have made an unprompted disclosure of the inaccuracy, that is, you have told HMRC about it before you had any reason to believe that they have discovered or are about to discover it, then the minimum penalty is further reduced in each case as follows:

- careless inaccuracy to nil
- deliberate inaccuracy to 20 per cent
- deliberate inaccuracy with concealment to 30 per cent

Reductions under Penalties for Inaccuracies rules

The minimum penalty for deliberate error will normally be 35 per cent and the maximum penalty 70 per cent.

The minimum penalty for deliberate and concealed error will normally be 50 per cent and the maximum penalty 100 per cent.

The penalty may be set at any level between the maximum and the minimum and in calculating this HMRC will normally give the following reductions, as percentages of the greatest possible reduction from maximum to minimum:

- up to 30 per cent for 'telling' - the extent to which you admit the inaccuracy, tell HMRC promptly about its full extent and explain how it arose
- up to 40 per cent for 'helping' - the extent to which you help HMRC to quantify the inaccuracy, give positive assistance, actively engage and volunteer information
- up to 30 per cent for 'giving access' - the extent to which you respond positively to requests for information and documents, give HMRC access to business and other records and explain their function and significance

If you have made an unprompted disclosure of the inaccuracy the minimum penalty may be set at 20 per cent for deliberate error and at 30 per cent for deliberate and concealed error. An unprompted disclosure is one where you have told HMRC about the irregularity before you had any reason to believe that they have discovered or are about to discover it.

Publishing the names of deliberate tax defaulters

HMRC may publish the name, address and other information about those who deliberately evade their tax obligations. If you have deliberately tried to reduce your tax bill by sending them an inaccurate return or document, they cannot publish your details if you:

- immediately tell HMRC everything about what you did to deliberately evade tax
- co-operate fully with them to help to correct what you did

In order for HMRC to publish your details, the inaccuracies must have taken place in periods starting after 1 April 2010.

You can find more information about this in factsheet [CC/FS13 Publishing details of deliberate defaulters \(PDF 61K\)](#).

What happens after HMRC's investigation is over

HMRC expect you to change your behaviour and comply with all your tax obligations and not to revert to any fraudulent conduct. It is likely that they will carry out a check at some time after their enquiry has ended, to make sure that this is so. To ensure that you continue to comply with your tax obligations you are likely to have your affairs dealt with under the programme for managing deliberate defaulters. More information is available on the HMRC website.

Further information

For more on this subject please:

- Contact HMRC by phone. You will find them in The Phone Book under HM Revenue & Customs. Alternatively, you can contact the investigator who issued this booklet to you.
- Visit one of our HMRC Enquiry Centres. You will find the address in The Phone Book under HM Revenue & Customs.

Getting advice

You can get advice from a professional adviser or organisation.

Customer service

HMRC's commitment to you

HMRC are here to ensure that everyone understands and receives what they are entitled to and understands and pays what they owe, so that everyone contributes to the UK's needs.

They will:

- listen carefully
- answer accurately and respond promptly
- keep your personal and business details confidential
- treat you fairly and with respect

Putting things right

If you have a complaint please try to resolve it on the spot with our officer. If you are unable to resolve your complaint please ask the officer how you can progress your complaint or ask for a copy of HMRC's code of practice [Complaints and putting things right - factsheet C/FS \(PDF 72K\)](#). This lays out HMRC's complaints process and tells you what you can do next. You will find further information on the HMRC website.

If HMRC are unable to resolve your complaint to your satisfaction you can ask the Adjudicator to look into it. The Adjudicator, whose services are free, is a fair and unbiased referee whose recommendations are independent of HMRC.

You can contact the Adjudicator at:

The Adjudicator's Office
Haymarket House
28 Haymarket
London
SW1Y 4SP

Tel: 020 7930 2292

Fax: 020 7930 2298

Email: [Adjudicator](#)

Internet: [The Adjudicator's Office \(Opens new window\)](#)

Customers with particular needs

HMRC offer a range of facilities for customers with particular needs, including:

- wheelchair access to nearly all HMRC Enquiry Centres
- home visits, if you have limited mobility or caring responsibilities and cannot get to one of HMRC's Enquiry Centres
- services of an interpreter
- help with filling in forms
- help for people with hearing difficulties including:
 - BT Typetalk
 - induction loops
 - sign language interpretation
- leaflets in large print, Braille and audio

Appendix 1

The six questions which are asked in relation to **direct taxes** are:

Question 1

Have any transactions been omitted from or incorrectly recorded in the books of any business with which you are or have been concerned whether as a director, partner or sole proprietor to the best of your knowledge or belief?

Question 2

Are the accounts sent to HMRC for each and every business with which you are or have been concerned whether as a director, partner or sole proprietor, correct and complete to the best of your knowledge and belief?

Question 3

Are all the tax returns of each and every business with which you are or have been concerned whether as a director, partner or sole proprietor correct and complete to the best of your knowledge and belief?

Question 4

Are all your personal tax returns correct and complete to the best of your knowledge and belief?

Question 5

If you have acted as a trustee, administrator or executor or in any similar capacity, are the tax returns and accounts that have been sent to HMRC in that capacity correct and complete to the best of your knowledge and belief?

Question 6

Will you allow an examination of all business books, business and private bank statements and any other business and private records in order that HMRC may be satisfied that your answers to the first five questions are correct?

False statements can result in a criminal investigation with a view to prosecution.

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Appendix 2

The four questions which are asked in relation to **VAT** are:

Question 1

Have any transactions been omitted from, or incorrectly recorded, in the books and records of any business with which you are or have been concerned, whether as director or managing officer, sole trader or partner?

Question 2

Are the books and records you are required to keep by HMRC for any business with which you are or have been concerned, whether as director or managing officer, sole trader or partner, correct and complete to the best of your knowledge and belief?

Question 3

Are all the VAT returns of any business with which you are or have been concerned, whether as director or managing officer, sole trader or partner correct and complete to the best of your knowledge and belief?

Question 4

Were you aware that any of the VAT returns were incorrect or incomplete at the time they were submitted?

False statements may result in a criminal investigation with a view to prosecution.

If the investigation is concerned with other indirect taxes, customs duties or excise duties a separate set of formal questions will be sent with this Code of Practice.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.

Issued July 2011