

# MAJOR HMRC CHANGES (FROM 1/4/09)

With effect from the 1st April 2009 HMRC will be implementing major changes as follows, all designed to increase their tax revenue.

## New Statutory Records

HMRC have introduced new additional legislation to ensure individuals and businesses keep adequate business and accounting records to ensure that the correct profit, loss, tax declaration or claim is made. There are penalties for failure to keep appropriate records and HMRC intend to use them.

*Full details can be found at –*

Corporation Tax: <http://www.hmrc.gov.uk/ct/keeping-records/record-keeping.htm>

Self Assessment: <http://www.hmrc.gov.uk/sa/record-keeping.htm>

## New Information and Inspection Powers

HMRC will have new additional powers to

- \* Require taxpayers to provide information and produce documents.
- \* Require third parties to provide information and produce documents.
- \* Inspect business premises and business assets.
- \* Inspect business documents on those premises.
- \* Check records before filing.
- \* Give 7 days notice of a compliance visit or turn up unannounced.

HMRC have a stated desire to move towards more real time working of tax risks rather than post return filing enquiries, using these new powers.

*Full details can be found at –*

[http://www.hmrc.gov.uk/e-learning/compliance-checks/Externalmodule/HTML/Externalmodule\\_menu.html](http://www.hmrc.gov.uk/e-learning/compliance-checks/Externalmodule/HTML/Externalmodule_menu.html)

## New Penalty Regime

This covers all taxes and incorrect documents and there are now statutory penalty bandings based on behaviours. Penalties range from 0% for a mistake up to 100% for deliberate understatements with concealment.

HMRC will be seeking higher penalties from 1st April 2009. Significant reductions can be achieved with an unprompted disclosure to HMRC.

*Full details can be found at –* <http://www.hmrc.gov.uk/about/new-penalties/faqs.htm>

Please contact us immediately if you receive a letter from HMRC advising of a compliance visit or if any HMRC Officer contacts you, or if you require a preliminary compliance review of your books and records by ourselves. We are here to help you.

