

UK REVENUE

DISCLOSURE OF OFFSHORE ACCOUNTS

HM Revenue & Customs (“HMRC”) is offering to holders of offshore accounts the opportunity to come forward and settle all undeclared liabilities with its introduction of “The Offshore Disclosure Facility”. BW group are please to provide further detailed below:-

1 The Terms of the Offshore Disclosure Facility

- “The Client” must notify HMRC of “ their” intention to make a disclosure by the 22 June 2007;
- A fixed penalty of 10 per cent of the tax/duties underpaid will be applied;
- No penalty will be given on disclosures of untaxed amounts totalling less than £2,500.
- “The Client” must disclose with full payment of tax, duties, interest and penalties before 26 November 2007;
- A final decision will be given by HMRC on whether or not disclosure has been accepted by 30 April 2008.

Further details regarding the above:

2 Key Dates

HMRC must be notified of intention to make a disclosure by the 22 June 2007. If this is not completed, this facility will not be available. If a decision is taken to make a disclosure, all taxes, duties, interest and penalties must be paid by the 26 November 20.

3 Who can use this facility to disclose

This facility can be used if your client holds or have held, either directly or indirectly, an offshore account that is in any way connected to a loss of UK tax and/or duties. Offshore means anywhere outside the United Kingdom of Great Britain and Northern Ireland. Therefore offshore accounts include any held in the Channel Islands, the Isle of Man and the Republic of Ireland.

Notification can be made to HMRC of the intention to make a personal disclosure of your client's own liabilities AND one on behalf of an other, for example a company of which your client is a director or as executor of a deceased person.

4 What should the Disclosure Contain?

The disclosure must be a full disclosure of all undeclared liabilities, not just those connected with offshore accounts and contain:

- a. Summaries of tax and/or duties, interest and penalties due;
- b. Details of offshore bank accounts relevant to the disclosure and/or open at 5 April 2006;
- c. Details of offshore assets that were held at 5 April 2006;
- d. An offer to pay;
- e. A declaration that the disclosure is correct and complete;
- f. Payment of the full amount disclosed, including interest and a 10 percent penalty.

5 Will your disclosure be accepted?

HMRC states that they expect the vast majority of disclosures to be accepted. A letter of acceptance would be sent as soon as possible and by 30 April 2008 at the latest.

If HMRC cannot accept the disclosure, they will open an enquiry in the normal way before 30 April 2008.

It is possible that a disclosure may be considered by HMRC in accordance with their published criminal investigation policy, in which case, the material you disclose could be used in evidence against you/your client.

WHAT NEXT?

Please do not hesitate to contact our in-house consultants if you require any further information on the HMRC offer to disclose offshore account details.

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