

# Tax Amnesty Part II

In this year's Budget, the Chancellor announced a second Amnesty starting in the Autumn of 2009 for those UK residents and holders of offshore accounts who failed to make a disclosure to HMRC in the 2007 Amnesty.

HMRC announced on 28 July 2009 that the latest Amnesty, called the NDO (New Disclosure Opportunity) will run until 12 March 2010. It is designed to give one final opportunity to those individuals who need to put their taxation affairs in order and in particular, where undisclosed income or gains is housed in overseas accounts. Individuals in question will need to make a "complete and accurate disclosure" in order to qualify for a 10% penalty.

This is similar to the penalty afforded under the earlier Amnesty. However, the major difference is that under the 2009 Amnesty, the 10% penalty will only apply to those who were not written to by HMRC back in 2007. Furthermore, those who did not disclose in 2007, after receiving the letter from HMRC, but do so now will have the opportunity to make a full disclosure although will incur a 20% penalty (on the unpaid duties) instead of the more favourable 10%.

Those wishing to use the NDO can notify their intention to HMRC, in writing, between 1 September 2009 and 30 November 2009 and electronically between 1 October 2009 and 30 November 2009. Disclosures can then be made, in writing, up to 31 January 2010 and electronically up to 12 March 2010. Individuals who fail to disclose under the latest 'truce' run a real risk of HMRC undertaking a full 'in depth enquiry' into their taxation affairs, with increased penalties being sought of at least 30% or higher. Prosecution is also likely to be considered.

Finally, persistent offenders are reminded to heed Budget Note 63 (from the 2009 Budget) which outlines the potential of 'deliberate tax defaulters' having their names published where they are "penalised for deliberately understating tax (or VAT) due, or overstating claims or losses, of more than £25,000."

Deliberate tax defaulters are defined as individuals, businesses and companies.

You have been warned.....

For further information please contact Christina Brennan by calling **0870 166 6270** or email [sales@abbeytax.co.uk](mailto:sales@abbeytax.co.uk)