

## Introduction

Nothing stands still in the worlds of taxation and finance. We hope this newsletter will bring one or two developments of more general interest to your attention.

The RPG Group have been invited to become members of DFK International. DFK is a world wide network of independent firms with coverage across UK & Ireland of over 100 partners and fee income of nearly £60m and internationally 204 firms with 345 offices.

The added dimension of being part of the international association gives RPG access to

tax and accounts expertise from professionals based and practising in the country to which the particular query or problem relates. In our global society where it is increasingly common for our clients to own assets overseas, whether income generating or not, or hold other overseas investment portfolios we feel that this added resource will be greatly valued.

If you do have any current queries or problems in relation to taxation or other accounts issues outside of the UK, or indeed in the UK, please do not hesitate to contact your relationship director for assistance.

## HM Revenue & Customs (“HMRC”) disclosure opportunity

Continuing the theme of overseas based investments and issues arising therefrom, HMRC have recently released some information regarding a New Disclosure Opportunity (“NDO”), similar to the one they ran a few years ago, and which you may well have read about in the financial and other press.

The NDO is intended to allow taxpayers the opportunity to disclose to them details of any previously undisclosed income or gains — and to do so with the offer of penalties in such cases being no higher than 10% of any tax involved. This is significantly lower than a “normal” penalty in such cases.

The background to this is that HMRC were able, a few years ago, to obtain information regarding offshore bank accounts from a relatively small number of banks and financial institutions, where previously they had been unable to gain access to such information.

As a result of their success in the above, HMRC is now seeking to obtain details of offshore accounts and assets from hundreds of financial institutions — and HMRC believe it is only a matter of time before they are successful in their objectives. Indeed they have announced that they have already successfully applied to get details from a number of banks.

So far, full details of the NDO are not known. The following are however the main features:

- The disclosure period will run from 1 September 2009 to 12 March 2010.

- Once the scheme starts, taxpayers will only have until 31 October 2009, to register with HMRC for the scheme and notify their intention to disclose.
- Penalties will be a maximum of 10% of the tax previously undeclared. However, the penalty will be higher for full disclosure for taxpayers who could have disclosed information previously under the earlier offshore disclosure facility.
- HMRC have said once they are in possession of the information they have requested from various financial institutions, they will “pursue vigorously” any taxpayers where they believe there is undisclosed income or gains.
- This is to be the last opportunity to make such disclosures with favourable penalties. HMRC have said there will not be another one.

In our experience a number of taxpayers innocently open offshore bank accounts, mistakenly believing that income from such accounts is not subject to UK tax and does not have to be disclosed to HMRC. In most, but not all, cases, this is an incorrect assumption and such income should normally be subject to tax in the UK.

In view of this new opportunity to disclose with very low penalties, we believe it advisable for all our clients to review their affairs and contact us if there are any concerns whatsoever, with regard to income or gains which previously may not have been disclosed to HMRC. We can then provide appropriate advice.

## Furnished holiday lettings

Summer is upon us and many of you may have properties that are let as "furnished holiday lettings" (FHL) for tax purposes. Under the current FHL rules owners of UK holiday properties are treated as though their qualifying FHL business is a trade for the purposes of loss relief, capital allowances, landlords energy saving allowance, certain CGT reliefs and relevant earnings for pension purposes.

On the basis that these rules may not comply with EU law the Government has decided to repeal the rules with effect from April 2010. From 2010/2011, income from FHL will be treated as any other let property. This will undoubtedly adversely affect those with UK holiday properties that are currently let. If you are in this position and require further information please do not hesitate to contact your relationship director.

## Companies House penalty regime

Companies House has increased the level of penalties levied on companies whose accounts are delivered late. The amount of the penalty depends on how late the accounts reach the Registrar of Companies.

N.B. For companies with accounting periods beginning on or after 6th April 2008 the filing dates for accounts

have been reduced from 10 months to 9 months for private companies and from 7 months to 6 months for PLCs.

The penalties are shown in the table below:

How late are the accounts delivered	Private company	PLC
Not more than one month	£150	£750
One to three months	£375	£1,500
Four to six months	£750	£3,000
Over six months	£1,500	£7,500

Where the previous financial year began on or after 6 April 2008 and those accounts were delivered late the above penalties are doubled.

Particular attention must be paid to dormant companies as these are easily forgotten. If you have any doubts, by transferring your registered office to RPG address we can undertake a full secretarial service and ensure that your statutory obligations in this regard are kept in good order and this can cost as little as £150 per annum.

## What should I do now?

If you would like further information or advice regarding any of the matters raised in this newsletter please contact your relationship director as soon as possible. The contact details for each of our offices is shown below.

### Contact:

#### Manchester:

The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG

Tel: 0161 608 0000 Fax: 0161 608 0001

#### London:

15 Buckingham Gate, London, SW1E 6LB

Tel: 020 7963 9032 Fax: 020 7963 9036

#### St Asaph:

Office at Gwernigron, The Roe, St Asaph, Denbighshire, LL17 0HY

Tel: 01745 582933 Fax: 01745 582302

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