

CTM clients receive part payment, where no tax loss exists.

CTM launches a free online advice service that will provide traders with additional support.



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Liban worked for HM Revenue & Customs for 20 years, predominately in VAT investigations, before being recruited as an indirect tax advisor at KPMG. He formed CTM in 2005 and now manages all Tribunal appeals.

Overleaf:

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Small But Important Payments Have Been Authorised

Two of CTM's clients have been informed in writing by their respective Officers that they will receive repayments relating to exports that formed part of the extended verification. Although one payment only represented £28,252 and the second was a £300,000 payment for exports of non IT products, it is still a turning point and represents a loosening of the government purse strings.

The latter payment of £300,000 had been withheld since April 06 and will be made in the new financial year. The smaller payment was a part payment relating to the UK purchase of mobile phones that were exported to Dubai, where no tax loss existed.

Previously, Customs would not even repay VAT on freight forwarder invoices, as they related directly to trading. This is the first such payment we have evidenced and we're confident that there will be more in the coming weeks.

We still believe that widespread decisions to disallow VAT will take place, but traders can now see that some payments will be made in the new financial year.

The wording of one letter read as follows and will be mirrored in future letters, where payments are made:

'As you are aware HM Revenue and Customs is entitled, as part of its responsibility for the care and management of VAT, to make all reasonable enquiries into VAT repayment claims, including testing further the information given in support of repayment claims. At this point in time enquiries are still continuing with aspects of the above claim.

I am however, authorising a part payment of the 09/06 claim of £28,252. Please note, this repayment is released without prejudice to any further action which might be taken by Her Majesty's Revenue and Customs under the VAT Act 1994 or any other enactment'.

You should note that this repayment was for a September 2006 claim and is the first sign of Customs making part payments.

If you have any questions, please feel free to call us at any time. Please remember that, if you wish to receive the latest updates quickly, you can sign up to our free e-mail notification system on our website.



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Matthew worked for HM Revenue & Customs for 6 years as a fraud and money laundering Investigator and has been employed as a due diligence and VAT specialist for CTM since 2005. He now focuses on advising traders on appeals to Tribunal.

Next Edition:

Tribunal Developments

Other Relevant Industry News

CTM Online Advice

We have decided to make it simpler for traders to get advice on the important issues affecting them.

To find out up-to-date information on many topics, simply click on 'Traders Online Advice' on our website and enter brief details of your question(s). You can also use this service to let us know information that you feel would be of benefit to other traders. We will make sure you get a response quickly, but, if anything is very urgent, such as Customs disallowing your VAT, you should call your advisor straight away.

This will provide support to many companies who feel that they have been kept in the dark for so long and gives everyone access to basic advice without a signing up fee.

- Traders can ask CTM questions in relation to any matter, such as Tribunal advice, future trading, due diligence, VAT visits, Corporation Tax, criminal prosecutions or any subject that relates to this extended verification or other conflicts with HM Revenue & Customs, in any industry.
- Traders can share experiences with us and keep everyone up-to-date with progress in Tribunals and the High Court. This may be particularly valuable as traders head towards a nerve racking Tribunal appeal, with little idea of what to expect.

With so many traders under increasing strain, we want all businesses to feel that they have access to free advice, know what is happening in the industry, know what problems they may face in future and know how best to prepare for and tackle them. Please see our frequently asked questions section, for answers to some important questions. This will increase in size as traders begin to utilise this service.

There is no real substitute for face to face advice, and this service is not designed to replace it, but simply to provide easier access to free, basic advice.

Additional Traders Appeal Before Formal Decision

More companies have approached us requesting that we appeal to the Tribunal ahead of a formal decision from Customs. All fall within the categories detailed within our March Newsletter and we will bring you further news of their results soon.

However, the previous Tribunal success is not restricted to CTM clients and is partly down to the skill of our specialist tax barristers, who are also used by other industry advisors, such as the large Plc accountancy firms.

For useful and detailed information on Tribunal appeals, please visit the official website at:
www.financeandtaxtribunals.gov.uk/forms_leaflets/documents/VAT%20yellow1.pdf

Corporation Tax Update

HMRC wrote to us last week stating that, although payments have been suspended, interest will accrue at the standard rate until full payment is received.

We are in the process of challenging this and will update you when we have further news.

We are also seeking clarity on whether this suspension of payments will be ongoing throughout a Tribunal appeal.