

More decisions are coming out and all are negative

Please contact CTM if you have any questions regarding this Newsletter.



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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:

Tribunal options

If you are not already aware, expect the worst.

A number of companies have approached CTM for assistance in the last few days, as they had received negative decisions regarding their VAT. It is concerning to note that none of them had any tax losses in their supply chain. It is now clear that the absence of a tax loss in the supply chain has no bearing on the decision.

In general, the letters denying companies their VAT are coming out at a slow, but steady pace. Customs are internally giving themselves deadlines to complete the bulk of the decisions, however, a lack of resources results in these targets not being met.

Even when traders appeal to the Tribunal, Customs are requesting further time to consider the appeal, which has caused many weeks of additional delays. However, Customs are now so overstretched they are subcontracting the work on appeals to third party solicitors. It is hoped that this will mean that the appeals now progress at an acceptable speed.

Joint and several liability

There are initial indications that Customs are now going to use their joint and several liability powers to raise assessments against previous periods where VAT repayments were made.

Officers are now visiting companies and examining deal and due diligence files for earlier periods. One Officer recently stated that he would return to his Office and almost certainly issue a joint and several liability notice.

This action seems to be restricted to a handful of companies, but may become more widespread.

Options for Tribunal appeal

Traders should now be considering what action to take in the likely event that they receive a negative decision from Customs.

Overleaf we have detailed a full range of options to suit every trader, regardless of their current financial situation.



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Next Edition:

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Option 1 – Do it yourself (£1,200+VAT)

This is not the ideal scenario, but we appreciate that many companies have limited funds available.

We are seeing some traders struggling to cope with an appeal themselves and are having the following problems:

- Customs see that a trader has no professional representation and will attempt to obstruct and delay as much as possible.
- Although a company may have a strong case in Tribunal, it may not be presented in a clear and understandable format.
- Valuable evidence is being overlooked and not taken into account when presenting the case.

We are now providing the following support to enable traders to prepare and present their own case at Tribunal.

- CTM will submit the appeal paperwork so that Customs understand the case is being handled professionally.
- CTM will continue with correspondence with the Tribunal and Customs throughout the Tribunal appeal process.
- We will provide sufficient templates and information so that you can put a case together yourself in a clear and understandable format.
- We will provide unlimited over the phone advice throughout the appeal process.
- Once fully completed, we will review the case and prepare you for the hearing.
- This option allows you to progress through the Tribunal system with limited expenditure.
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The above is only a brief outline of the benefits and, should you require any further information, please contact us.

Option 2 – Use CTM

- All our staff are ex Customs VAT investigators.
- We have years of experience in preparing and reviewing cases for court.
- We know Customs' procedures inside out and are best placed to identify the strengths and weaknesses of the case against you.
- You can be sure that your case will be professionally prepared.
- CTM works closely with a team of barristers who are highly experienced in this field.

Option 3 - Large firms of solicitors

Some companies are accustomed to being represented by, and feel more comfortable with, large firms of solicitors. We respect this, but would suggest traders only consider firms that employ ex Customs VAT Investigators.

We have met a number of solicitors in order to understand exactly what is being offered, so that we can advise traders considering this option.

As the level of service varies tremendously, please contact us if you require further information.

Some firms also offer limited 'no win, no fee' arrangements and we can also advise on this matter.