

Companies in liquidation may pay twice for appeal

Please contact us if you have any questions regarding this Newsletter



Liban Ahmed
Director

London Office
The 401 Centre
302 Regent Street
London
W1B 3HH
Tel: 0870 405 7695

liban.ahmed
@ctmltd.com

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:

CTM payment options

The cost of liquidation

Companies that went into forced liquidation or were advised to go into voluntary liquidation, for example because of Corporation Tax issues, may have to pay the liquidator money on account in case they lose their appeal.

It may be that you have sufficient funds to pay for an appeal, but not enough to pay the Customs costs (maybe £30,000) should you lose. As the liquidator will be liable for Customs costs if you lose, it is almost certain that they will request money on account before allowing an appeal. For more information or for access to expert accountancy advice on this subject, please call us.

We are also providing advice to many companies who are currently being pursued by HMRC for Corporation Tax payments. Please be aware that if you fit into one of the two categories, below, you still have a good chance of avoiding payment and, thus, avoiding a CCJ and liquidation.

- HMRC are demanding Corporation Tax payments for the year prior to your outstanding VAT periods, even if no decision has been reached.
- HMRC are demanding Corporation Tax payments for the year that incorporates your outstanding VAT periods, even if no decision has been reached.

This has been of great interest to many clients and we can arrange meetings between you, your accountant and our specialist accountant.

General Update

More companies are receiving decision letters and all remain negative. The reasons are generally the same and all are worth fighting, *at this stage*. As previously stated, we will know little more until spring 2008, when more Tribunal decisions come out.

The majority have yet to receive decisions and many are still being asked more and more questions that are causing significant stress. We are currently taking the strain off directors by dealing direct with customs and many companies have recently approached us for this reason.

It is now vital to let Customs know that they will not receive answers to any more questions. Only then will they stop writing to you and be in a position pass on their report to the Policy Team for a decision. Where Customs are unsure if they will win a traders case, they will continue corresponding and asking irrelevant questions simply to increase the delays.



Matthew Blake LLB
Senior Consultant

Nottingham Office
15 Wheeler Gate
Lace Market
Nottingham
NG1 2NA
0870 405 7695

matthew.blake
@ctmltd.com

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 companies on appeals to Tribunal.

Next Edition:

Further Decisions

Other Relevant Industry
News

CTM Payment Options

CTM can now offer payment options that will make life much more comfortable for many companies. It now means that you can have a detailed and extremely professional appeal brought before the Tribunal, with *nothing* to pay until after the hearing, in some cases.

The options are:

1. Monthly payments that can be made over a 1, 2 or even 3 year period, allowing you to pay for a hearing out of your monthly earnings. This means that you can have no funds at all, but, as long as you are earning, you may be able to do yourself justice in Tribunal.
2. No payment at all until after the hearing.
3. No win no fee, in exceptional cases.

For those companies that make payments upfront and those taking advantage of the above options, you will get the same high service. We can provide any company with a full breakdown of what work will be undertaken, how many days work will be assigned and the level of expertise involved in each task. This will ensure total transparency and give you peace of mind that your case will be presented to the highest standards. You only get one shot at the appeal and we advise that no corners are cut.

There are some companies that want a QC to represent them at Tribunal. Companies see Customs using a QC and a junior and want the same themselves. We have, after much negotiating, secured the services one of the most respected QC's in the country, who has agreed to assist in a limited number of cases during 2008 and more in 2009. Our appeals now have a formidable feeling to them. However, this QC's services, together with a senior barrister to help structure the case, does not come cheap, but does remain consistent with the higher prices quoted by some industry solicitors.

We also welcome such arrangements with companies yet to receive a decision, but who want to be safe in the knowledge that they can afford to appeal any decision at a later stage. Please feel free to call us if you are interested in such arrangements, even if you haven't yet received a decision.

Finally, we are looking for more investors who are willing to fund no win no fee arrangements. This type of arrangement will only be considered after full analysis of business records and where deal and due diligence procedures are extremely robust and no significant problems exist.