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**LEGAL & FINANCIAL**

# Time is running out to put tax in order

## Amnesty on irregularities and offshore accounts expires soon

**W**ITH just nine days left before the HM Revenue & Customs' (HMRC) tax 'amnesty' is over, experts at Grant Thornton in Sheffield are advising people to take action quickly and capitalise on the opportunity to put their tax affairs in order.

While the impact of the 'amnesty' for offshore assets has received a great deal of publicity, the fact that it also applies to UK irregularities has been overlooked.

The 'amnesty', which Grant Thornton believes may recoup £5 billion in unpaid tax for HMRC, encourages UK taxpayers with undisclosed offshore bank accounts and irregularities in their UK-based affairs to come forward and voluntarily dis-



**By Philip Espin**

Grant Thornton, Sheffield

close these omissions. People have until June 22 to register for the 'amnesty', with full disclosure being required by November 26. If you miss the deadline the opportunity passes and anyone with any irregularities in their affairs will face the full penalties.

What has been overlooked is that HMRC has also offered taxpayers with irregularities, where there is no offshore account involved, an ability to notify and disclose under similar conditions before the same deadline – June 22.

Anyone in this position would be very wise to make the most of this opportunity as failure to do so could prove extremely expensive.

This onshore disclosure process will differ slightly from the main amnesty and is likely to be dealt with by individual tax offices, whereas the offshore initiative will be more streamlined and include an ability to disclose on-line.

Those who apply for the 'amnesty' will have to pay tax and interest due

on any undeclared income but the carrot being offered is a mitigated penalty of only 10 per cent, which is much lower than the usual penalty that would be imposed.

HMRC is determined to tackle tax evaders, however, and has reserved the right to prosecute, stating that it may open formal enquiries on some disclosures, particularly in larger or higher profile cases.

Disclosure of information under this initiative is not simple, particularly for those disclosing several offshore assets as individuals will be required to submit multiple disclosures.

It's likely to be confusing for many taxpayers and specialist advice should be sought.



**By Jeremy Priestley**

P&A Receivables

WE are all familiar with the worrying personal insolvency statistics that get press headlines - and of course the reported activities of 'debt counsellors' who take large fees and create more misery for those with personal debt problems.

There was a significant rise of some 45 per cent in personal insolvencies in 2006 and it is thought that a worsening situation can be expected in 2007 as credit card pressure and rising interest rates start to bite.

In contrast, failures in the business market were running lower again last year, as they have been for the past 3 years, and since they peaked in mid 2002. But this is the area where we have identified some worrying trends.

The smaller business sector seems to be coming under increasingly difficult financial pressures and there are a number of contributory factors:

■ Disposable income is becoming eroded by inflationary pressures not recognised in official statistics.

■ Interest rate rises has put pressure on mortgage and unsecured lending - the six months interbank rate is about 5.9 per cent, suggesting there are further rises to come.

■ Retail margins are getting slimmer - with pressure from major retailers and supermarkets, who are increasing their non food dominance.

■ The increasing presence of China and India in world trade, contributing to the decline of the UK's manufacturing capability.

■ Growth of internet sales.

That's enough to spell out worrying times ahead for a business market without much room to manoeuvre and which historically has not always been known to seek professional advice, other than to be more tax efficient. The market has a tendency to be fairly fully borrowed.

Regrettably, without professional advice, a shortage of cash for working capital often makes proprietors throw in the sponge and walk away from a business that often would have been viable with appropriate support. They are having problems collecting debts,

P&A Receivables offer a wide range of credit management support and there is more information about our services at [www.pandareceivables.com](http://www.pandareceivables.com).

If you think your business could benefit from our services please speak to Jeremy Priestley on 0114 275 5033.

## How tax burden grew Key new faces for AMS

THE 'man in the street' has borne the brunt of the UK tax burden under Gordon Brown, say accountants and business advisers BDO Stoy Hayward.

The average taxpayer has to work eight days longer to pay off their income tax bill now than in 1997, they say. The time taken to pay off Stamp Duty has doubled and UK taxpayers are working one week longer to pay

their Council Tax as a result of Brown doubling the tax take to £22 billion to cover the increased burden placed on local government.

But tax payers in Yorkshire and the North East have the lightest tax burden of anywhere in the UK, with people in the region working seven days less than the national average in order to pay off their tax bills.

ASHTON Morton Slack has announced two key appointments to its expanding clinical negligence team.

Both have an impressive legal pedigree: Zoe Holland joins as a consultant via Alexander Harris and Ben Gent as head of department via Irwin Mitchell and Australian litigation specialists Shine Lawyers.

Both are members of the Law Society's specialist clinical negligence panel with experience in medical litigation ranging from cases resulting in an apology and change in local practice, to seven figure settlements and successful challenges to government policy. John Hodgson, head of personal injury, said: "Zoe and Ben are not just recognised medical

law specialists- they bring to Ashton Morton Slack the skills and experience to provide a modern and progressive service to people injured by or denied medical treatment.

"We are very proud to have them on board"

Zoe Holland added: "Our clients can be confident of receiving the right advice."

"We have the skills to provide that, but as an Ashton Morton Slack client you are looked after and need not feel intimidated by the legal process."

"We tell you what you need to know, and above all we are approachable - a factor we see as essential for any client who has suffered a medical accident."

Ben Gent said: "We now have in place a team with the right track record, which understands how to treat clients."

"Where we differ is in combining these qualities with investment in unique management systems so we can cut out the unnecessary delay and expense which all too often overshadow medical litigation."

"This means we can provide access to the law to more people, more efficiently."

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