

Steps needed to complete work a worldwide disclosure case

Familiarisation with legislation and taxpayer obligation:

1. See new guidance document on Foreign Income Reporting Obligations.

Establishing the facts:

1. What is the source of foreign income?
2. When did it start?
3. What is the foreign jurisdiction for purpose of double tax agreement?
4. What are the relevant years? For years outside Requirement to correct & Failure to Notify, the client will need to be registered for self assessment (not further discussed here)
5. Why was the disclosure not made previously?
6. What are the personal/financial circumstances of the client for the purpose of understanding if a reasonable excuse/special circumstances apply?

Making the disclosure:

1. Provide HMRC with the information required, a standard letter is provided for this purpose, (i.e. Name, Address, NINO, income source and when it started, calculation of liability for relevant years, interest and penalties) see Standard letter.
2. The letter needs to include the self assessment of interest and penalties appropriate for the years of disclosure. The letter should also include an appeal if a reasonable excuse/special circumstances apply. See Standard letter.
3. The client can be advised to pay the liability including the penalties self assessed at the applicable rate. Please contact the office if you are unsure. See Standard letter.
4. A signed and dated 'Letter of Offer' will need to accompany every disclosure, please obtain and ask client to sign and date, when the numbers are finalised for submission.
5. A declaration that a full disclosure has been made should be included in the letter. See Standard letter
6. Advice on payment, or explanation that a payment plan is needed as necessary. See Standard letter.