

# Welcome to the world of Counter-Avoidance

Rachel Garratt

# Why are we here today?

To develop the relationship between HMRC and professional bodies to you and your members:

- ▶ Understand all the risks of entering into an avoidance scheme.
- ▶ Understand the changing climate around avoidance.
- ▶ Avoid reputational damage to the profession as a whole.
- ▶ Help those involved in avoidance to settle their tax affairs once and for all

# Why do we need Counter-Avoidance?

- ▶ To protect tax at stake by tackling known schemes and closing them down. Current tax at stake £14 billion
- ▶ To disrupt the economic activity of promoters and users of tax avoidance schemes
- ▶ To stop new schemes by closing loopholes in the legislation
- ▶ To educate at risk groups about the risks of tax avoidance and encourage them to exit any schemes they are in.

# What is tax avoidance?

- ▶ Tax planning
- ▶ Tax evasion
- ▶ Tax avoidance

# Profile of a tax avoider

- ▶ 80% male
- ▶ 70% in the 40 - 60 age group
- ▶ Taxable income in excess of £100,000
- ▶ Normally uses an accountant

# How HMRC are meeting this challenge

Changing the economics of avoidance by:

- ▶ Demanding disputed tax be paid up front with Accelerated Payment Notices and Follower Notices
- ▶ Using a range of tools to tackle egregious schemes including through the General Anti-Abuse Rule (GAAR)
- ▶ Taking more schemes to litigation
- ▶ Encouraging and helping avoidance users to settle their cases
- ▶ Tackling serial avoidance users
- ▶ Tackling promoters and enablers of tax avoidance

We are here to help you.

Any questions?