Tax Investigation Service – Client Policy Summary

(For clients of Lesser & Co)

What this service provides

By subscribing to our Tax Investigation Service, you are protected against the professional costs we incur in defending you during most HMRC enquiries and compliance checks. Where an HMRC enquiry is covered, the insurer reimburses our fees directly, meaning you won't face unexpected professional costs from us.

This service covers:

- **Full and aspect enquiries** into your Self Assessment or Corporation Tax return.
- **PAYE, NIC and RTI** compliance checks and status disputes (including IR35).
- **VAT** compliance checks and related disputes.
- **Business Records Checks** and Schedule 36 information notices.
- **National Minimum Wage/National Living Wage** enquiries.
- **Inheritance Tax, Stamp Duty/Land Transaction Tax, Gift Aid, CIS** enquiries (where we completed the return).
- **Student loan, auto-enrolment reporting and Scottish tax rate enquiries.**

Where the insurer accepts a claim, our fees for dealing with HMRC are covered up to the policy limit.

What is not covered

The service is designed to cover the costs of defending HMRC enquiries — **not the tax itself** or routine accountancy work.
The insurer will not cover our fees in the following situations:

1. Anything done before an HMRC enquiry begins

- Work carried out before HMRC issues a formal notice.
- Fees incurred before the insurer accepts a claim.

2. Returns submitted late or with provisional figures

- Enquiries into returns filed more than 90 days late (unless HMRC accepts the delay).
- Returns submitted with provisional figures where HMRC extends the enquiry window.

3. Tax avoidance schemes

- Any enquiry involving a **DOTAS-notifiable scheme**, marketed avoidance, or anything that may fall under the General Anti-Abuse Rule.

4. Criminal or fraud-related matters

- Any case involving alleged fraud or deliberate behaviour until HMRC confirms no fraud is involved (COP8 enquiries are only covered if innocence is proven).
- COP9 enquiries are **not covered** at all.

5. Routine accountancy or bookkeeping work

This includes:

- Preparing, correcting or reconstructing tax returns, VAT returns, accounts, P11Ds or CIS returns.
- Correcting poor bookkeeping or incomplete records.
- VAT partial exemption calculations.
- Any work that is normally part of your standard accountancy service.

6. Enquiries where you contacted HMRC directly first

If you respond to HMRC before contacting us, the insurer may decline the claim.

7. Claims arising before your cover starts

Any issue that existed or was likely before you joined the service won't be covered.

8. When you're no longer our client

If you change accountants, cover ends.

9. R&D, embedded capital allowances or other specialist claims prepared by third parties

Where we did not prepare and submit the detailed reports required by HMRC, the insurer will not cover enquiry costs.

10. Taxes, penalties or interest

The service covers **our fees only**.
You remain responsible for any tax, interest or penalties owed to HMRC.

Your responsibilities

To maintain cover:

- Please send us **all HMRC correspondence immediately** and do not contact HMRC directly.
- Ensure returns are filed on time.
- Maintain proper books and records.
- Keep your subscription to this service up to date.

Limit of cover

We will always tell you when a matter is covered or not and obtain approval before incurring work.

How claims work

When you receive an HMRC enquiry:

1. Forward the letter or email to us immediately.
2. We will notify the insurer and request approval.
3. Once authorised, our work will be covered and we will deal with HMRC directly on your behalf.

Important note

This is a **summary for clients**. Full cover is subject to the insurer's policy wording, which is available on request.