

FAQ - Tax Investigation Fees Protection – For All Clients

11 March 2015

Background

Further to recent client feedback and the increasingly aggressive stance taken out by HMRC, MG Group are taking out a fee protection service with the UK's biggest fee protection company – they are called TaxWise. In this document we answer some frequently asked questions that clients have asked us.

Frequently Asked Questions

Q: What is the MG Group Fee Protection Service?

A: This is a service that provides you with protection against the cost of any HMRC enquiries against your company or yourself personally. Due to requirements from insurers who support the scheme, the cover taken out is separate for each entity or individual. If there is more than one Ltd company that you are a director/shareholder of, then separate cover will need to be taken out for each entity. If you are selected for enquiry or investigation, then MG Groups' fees in defending the claim would be fully covered.

Q: Aren't these costs covered by my usual fees?

A: No. MG Group only charges fees for work that is completed. For clients that pay by standing order the fees will cover routine compliance work such as completion of accounts, tax returns, payroll etc. our fees do NOT cover the cost of an HMRC enquiry or investigation.

Q: What would the charges be if there is an HMRC enquiry or investigation into my tax affairs?

A: For any enquiry or investigation work, we can only give an idea of the costs once we know what the enquiry is about. An enquiry could be in relation to a simple matter, in which case our time would only be around 2 or 3 hours, or it could be in relation to a number of areas, and could be a complex matter that requires several hours worth of work. Our charge out rates for HMRC enquiry work is £200 + VAT per hour for a Director, £120 + VAT per hour for work completed by a manager and £96 + VAT for work completed by a tax senior.



Q: What is the probability of me being selected for investigation?

A: There is a small chance of being selected for enquiry, as the majority of clients will not have any questions asked in relation to their tax affairs. However, HMRC do routine random enquiries and if selected for this, there could be significant costs.

Q: What period does the free protection service cover?

A: Our tax investigation fee protection runs from 1 April each year to 31 March the following year. For new clients joining MG Group who wish to be covered, the fees are pro-rated. The month in which a new client joins our service the fees are charged in full for that month. For example, if a client joins our practice on 15 October, then the fee protection would be needed for the 6 month period covering 1 October 2015 to 31 March 2016. In future years, the invoice for the services would be sent out at the end of March to cover the following fiscal period.

Q: Can we pay for the free protection by monthly instalments in the same way we pay our fees?

A: Unfortunately we need to make payment to our fee protection.

Q: I want to find out further information before going ahead – what should I do?

A: Please get in touch with your usual MG Group contact who will explain more about the Tax investigation fee protection service that we offer.

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