HMRC - CH81161 - Examples Of Deliberate And Concealed

You must check the date from which these rules apply for the tax or duty you are dealing with. See You must check the date from which these rules apply for the tax or duty you are dealing with. See for full details.

Example 1

Paolo takes £50 a week from his takings as ‘pocket money’. This money goes unrecorded when he adds up his weekly takings and enters the total into his records. During a compliance check of his return Paolo produces false invoices which he has prepared to support the figure of takings in his records.

Preparation of the artificial invoices and giving them to us represents an attempt to conceal the deliberate inaccuracy.

Example 2

When completing one of his VAT returns, Michael decides to enter an inflated input tax figure on his return in order to reduce his declared net liability. He hopes that the false return will not be selected for checking. In order to make the inaccuracy more credible, Michael creates a false purchase invoice which he enters in his business records.

In this case Michael has taken active steps to conceal the inaccuracy through the creation of a false invoice specifically designed to mislead.

Example 3

Mary is a self-employed hairdresser. During a compliance check of her Self Assessment return, you discover interest from a bank account that she has not declared in her return. Mary produces a letter from her aunt to support her explanation that the source of the funds in the bank account was a gift from her aunt.

During the compliance check you establish that Mary had not received any money from her aunt, the money was undeclared income from the business. She had taken active steps to conceal the inaccuracy by creating an alternative explanation for the source of the funds in her undeclared account.

Example 4

Nancy submits a Notice of Intention (NOI) form to notify HMRC of her intention to claim drawback on 200 bottles of wine being exported to France. However, only 100 bottles are actually sent to France, the other 100 are delivered to a UK cash and carry. When Nancy submits the drawback claim, she attaches a false Simplified Accompanying Document (SAAD) which states that 200 bottles were delivered to France.

Nancy has taken active steps to conceal the inaccuracy on the claim by submitting the false SAAD.

Example 5

Peter is the personal representative of his late father’s estate. Six years before his death, Peter’s father gave him a house. Because his father died within seven years of the gift, Peter should declare it in the IHT account as it affects the amount of IHT payable. Peter does not include the gift and, during an enquiry into the account, he produces a Deed of Gift which he has altered to suggest that it was made more than seven years before his father died.

Peter has taken active steps to conceal the deliberate inaccuracy by falsifying a document to support the omission of an asset from an IHT account.

Previous page

Next page