

Isle Of Man Disclosure Facility

UK residents disclosing unpaid tax on Isle of Man assets

The Isle of Man Disclosure Facility (IOMDF) was created by a Memorandum of Understanding between the UK and the Isle of Man in February 2013. It runs from 6 April 2013 to 30 September 2016. It provides an opportunity for those with assets in the Isle of Man to make a tax disclosure to Her Majesty's Revenue and Customs (HMRC).

To use the IOMDF to disclose unpaid tax liabilities you must either hold or have a beneficial interest in relevant property held in the Isle of Man between 6 April 1999 and 31 December 2013. Assets can be moved to the Isle of Man to allow qualification. You must not be under investigation (civil or criminal) at 6 April 2013.

The main characteristics of IOMDF

1. Tax is paid only from 6 April 1999 not the normal 20 years
2. Once registered, immunity from prosecution for tax offences provided full disclosure is made
3. In most cases penalties are fixed at 10% of the unpaid tax (increasing to 20%+ for 2008/09 onwards)
4. No need to meet with HMRC
5. A quick and efficient process
6. All worldwide assets can be legitimised
7. No detailed and intrusive forensic review of your financial affairs by HMRC
8. A bespoke service provided by HMRC for firms such as PwC providing disclosure
9. The opportunity to have an initial 'no names' discussion with HMRC before making a disclosure
10. No minimum level of assets that must be held in the Isle of Man

How IOMDF differs from the Liechtenstein Disclosure Facility (LDF)

1. No Composite Rate or Single Rate options available
2. Earlier payment of tax – payment on account on registration expected
3. No need to have had offshore assets in past to qualify
4. Assets within the scope of the UK Swiss Agreement are ineligible

Experience

Our team of tax disclosure specialists with private client tax and HMRC backgrounds have helped hundreds of people understand how to make a tax disclosure successfully. We can answer any questions you may have about the IOMDF. We can help you make a tax disclosure and handle related tax and investment advisory work.

Confidentiality

You can discuss your issues with us in confidence without any obligation. In February 2006 money laundering reporting obligations for UK tax advisers were revised to give professional privilege to UK accountants, auditors or tax advisers who are a member of a UK professional tax or accounting body. This enables fully confidential discussions to take place either in the UK or overseas.

Value for money

We offer competitive and flexible fee arrangements. We can offer capped fee quotes.

Accessibility

Please contact any of our team or call us on our 24 hour helpline +44 (0)800 328 8215. We can arrange to see you for a free, confidential, no obligation discussion at short notice at any of PwC's offices in the UK and elsewhere.

Visit our website at www.tax-investigations.com and find out more about the IOMDF and related issues



1. Initial Meeting (Day 1)

- PwC are available to meet at short notice at convenient location in UK or elsewhere
- The first meeting is free and can be on an anonymous, confidential, no obligation basis. Any disclosure discussion is privileged for UK money laundering purposes
- Assessment made of best disclosure facility to use to suit your purposes
- High level estimates of likely settlement under IOMDF given if this is optimum way forward
- A capped fee estimate given

2. Client Engagement (Day 1 to 10)

- Client decides to make a disclosure to HMRC and instructs PwC to act
- Copy of passport and a utility bill less than three months old and showing name and address are required to fulfil PwC's 'Know Your Client' obligations
- Letter of Engagement can be issued at initial meeting
- 'No names' approach to HMRC possible

3. IOMDF Registration (Day 10 to 20)

- PwC review existing Isle of Man connection or help establish a new relationship with the Isle of Man if required (pre 31/12/13)
- For example, client can be introduced to a Isle of Man bank, who will set up a bank account for a modest fee
- PwC can host meetings with Isle of Man financial intermediaries if this is desired
- Register for IOMDF and make initial payment on account of tax thought to be due

4. Information Gathering (Day 20 to 60)

- Client can either approach their bank or other third parties (e.g. trustees) directly to request the information required to prepare the calculations or, alternatively, PwC can do this on their behalf. Typically PwC require:
 1. Account valuations at 6 April 1999 and 5 April last
 2. Annual income statements from 6 April 1999 to 5 April last
 3. Annual capital transactions from 6 April 1999 to 5 April last
- PwC obtain tax returns either from client or directly from HMRC if this is easier

**We work closely with PwC's
Isle of Man office in Douglas**

5. Preparation of Calculations and Forms (Day 60 to 100)

- PwC confirm relevant background facts with client
- Basis of disclosure agreed with HMRC in advance of submission if necessary using information from client
- Preparation of calculations begins upon receipt of information from bank and third parties
- Capital gains calculations prepared using dedicated computer software which assists with post IOMDF planning between PwC, client and advisors

6. Submission of Disclosure to HMRC (Day 100 to 130)

- PwC review all calculations and disclosure forms with client
- PwC help client to prepare worldwide Statement of Assets and Liabilities
- Client signs required forms and PwC submit disclosure to HMRC
- Client pays balance due to HMRC by bank transfer within 30 days of submission

7. HMRC Review and Acceptance (Day 130 to 180)

- Where necessary PwC can request HMRC review a disclosure as a matter of priority
- On agreement to the disclosure HMRC issue a letter of acceptance to formally conclude matters
- On very rare occasions HMRC seek additional clarification, PwC deal with these quickly on client's behalf
- Client need never meet HMRC

8. Planning (anytime)

- Before, during and after an IOMDF disclosure a client may need additional support and advice. PwC can work with you or your advisors on a range of issues:
 - *Inheritance tax planning*
 - *Will writing*
 - *Tax return preparation*
 - *Pension planning*
 - *Remittance planning for non doms*
 - *Wealth planning*
 - *Other tax planning*

Stephen Camm
Disclosure Project Partner
+44 (0) 7710 737703
stephen.camm@uk.pwc.com



Natalie Martin
Project Manager
UK London & South East
+44 (0) 20 7212 3978
natalie.j.martin@uk.pwc.com



Jonathan Pitkin
Project Manager
UK London & South East
+44 (0) 20 7213 3957
jonathan.a.pitkin@uk.pwc.com



Richard Clarke
UK London & South East
+44 (0) 20 7213 5778
richard.f.clarke@uk.pwc.com



Bosun Adebaki
UK London & South East
+44 (0) 20 7213 2945
bosun.adebaki@uk.pwc.com



Elizabeth Hartless
UK London & South East
+44 (0) 20 7 804 9923
elizabeth.s.hartless@uk.pwc.com



David O'Malley
UK London & South East
+44 (0) 20 7804 0962
david.j.omalley@uk.pwc.com



Jonathan Preshaw
UK North West
+44 (0) 7921 108774
jonathan.p.preshaw@uk.pwc.com



Ben Roseff
UK North West
+44 (0) 7715 211869
ben.roseff@uk.pwc.com



Ronnie Pannu
UK North East & Scotland
+44 (0) 113 289 4021
ronnie.pannu@uk.pwc.com



Iain Sanderson
UK South West & Wales
+44 (0) 7764 902 737
iain.sanderson@uk.pwc.com



David Francis
UK Midlands
+44 (0) 7718 339033
david.x.francis@uk.pwc.com

