



## More tax transparency with offshore letters

### **HM Revenue & Customs (HMRC) wants to remind you of its interest in your offshore investments.**

Globalisation is not just about trade and investment flows. One of the significant changes to tax in recent years has been a move towards globalisation of tax. A prime example is the development of Common Report Standards (CRS) by the Organisation for Economic Cooperation and Development (OECD).

If you hold investments abroad, then this welter of abbreviations could explain some recent correspondence you have received. Under CRS, over 100 jurisdictions have agreed to automatic exchange of tax information. More than 50 early adopters, including HMRC, will start to exchange information by the end of this September. HMRC's view is that CRS "dramatically increases international tax transparency."

In advance of the first round of CRS information exchange, the government introduced legislation requiring certain financial institutions, financial advisers, solicitors and tax advisers to send a standard HMRC "notification letter" to any UK clients for whom they have provided overseas financial advice, services or referral. The deadline for issuing these letters is 31 August 2017.

### **Full declaration**

The notification letter is designed to encourage errant taxpayers to bring their UK tax affairs up to date by using an online worldwide disclosure facility. Although the headline in large green letters at the top of the letter sounds daunting – "If you have money or other assets abroad, you could owe tax in the UK" – the key message (in much smaller black print) is that "If you are confident that your tax affairs are up-to-date, and you have declared all of your UK tax liabilities, then you don't need to do anything further."

The days of hiding money from the taxman offshore have long passed, a point the CRS reinforces. If you want to limit the tax you pay on your investments, there are plenty of legal, onshore opportunities we would be happy to explain.

*The value of tax reliefs depends on your individual circumstances. Tax laws can change. The Financial Conduct Authority does not regulate tax advice.*