

Liechtenstein Disclosure Facility

The government introduced the Liechtenstein Disclosure Facility (LDF) as a unique opportunity for UK residents to resolve historic tax issues with the UK tax authorities on beneficial terms, particularly in relation to inherited wealth. The facility can be used to make a disclosure of **assets held anywhere in the world**. Before you can decide how to take matters forward we believe that you will be looking for answers to the following questions:



We can help you answer these questions and explain the range of options available to you.

KPMG can offer

- Certainty on our costs.
- Clarity on any historic tax liability.
- Reassurance for the future.

Our approach is designed to provide you with certainty before your personal details are disclosed to HMRC.

LDF at a glance

- Guaranteed immunity from prosecution.
- No names discussion with HM Revenue & Customs (HMRC).
- Tax liabilities from April 1999 only.
- 10 percent penalty for years to April 2009.
- Composite rate tax option – potential for significant tax savings.

The roadmap to certainty

Based on our existing cases, the tax exposure is likely to be between 10 to 30 percent of the offshore fund.

The timeline for your disclosure will be a maximum of 10 months depending on the complexity of the case. In many of our existing cases the disclosure has been made much quicker.



HMRC

- Initial “no-names” disclosure (where appropriate).
- Formal registration.
- Agree KPMG’s technical opinion with HMRC.
- Determine whether HMRC require reassurance in any other areas to create greater certainty on submission of the disclosure.

KPMG – LDF WORK

- Review documents and quantify the firm.
- Prepare a summary letter setting out the approach to the disclosure and quantification of the tax exposure.
- Provide technical opinion on the tax treatment of the fund.

INITIAL MEETING WITH YOU

- **Free initial meeting.**
- Can be undertaken on a 'named' basis or a 'no names' basis, whatever you are more comfortable with.
- Meeting in UK or overseas.
- Discuss the potential tax charges arising.
- Discuss the LDF information needed, the timeline and options available.
- Analyse the initial information and provide you with an initial estimate of the tax liability.
- **Provide you with a fee quote.**

... provided
... al liability.
... disclosure
... background
... and the
... e tax due.
... opinion on the
... e structure.

PROGRESS UPDATES

- Provide you with regular updates on progress during the disclosure process.

KPMG – FORWARD PLANNING

- Comment on how efficient the structure is going forward and discuss next steps with you.

PRE SUBMISSION DISCUSSIONS

- Discuss and agree the final disclosure with you.

SUBMIT LDF DISCLOSURE

- HMRC have 6 months to agree LDF disclosures.
- Using our approach (ongoing dialogue) we anticipate agreement in less than HMRC's 6 month timeframe.

Why KPMG? Our approach

Fixed fee quotes (rather than hourly rates) to give you greater certainty

Discuss all substantive issues with HMRC prior to submission to prevent post submission enquiries and associated costs

Resolution of historic tax issues and tax optimisation going forward

Practical advice and common sense approach

We aim to provide certainty at the earliest possible date

About the team

- We have a dedicated team with particular experience of complex investigations involving offshore bank accounts, structures and other assets.
- We can risk assess a client's situation, explain and quantify the tax risks and how they might be resolved
- As well as looking to deal with any disclosure issues for the past it is also important to help ensure the tax position is as efficient as possible going forward.

Professional privilege

- In February 2006, money laundering reporting obligations for UK tax advisers were revised under S330 (6) The Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 Amendment Order 2006
- The amendments extended professional privilege to include 'relevant professional advisers', which are defined as 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 in the UK or overseas.

Our core team



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CRT022586 | July 2014 | Printed in the UK