

**Please Note: This communication is for informative purposes and may not affect you**



HMRC have recently issued further 'Spotlights' regarding schemes set up to avoid tax, or the recently introduced loan charge.

As your agency, we want to keep you up to date, and strongly recommend you take independent advice if you have concerns regarding your tax affairs.

## **Spotlight 50**

[Guidance on Spotlight 50 available here](#)

HMRC is aware of contractor arrangements being marketed, involving a Personal Service Company (PSC) and a limited liability partnership (LLP) which claims to get around the April 2019 loan charge, by transferring ownership of the shares in the PSC.

HMRC's strong view is that these arrangements or similar ones do not work and they will tackle the promoters and users of these arrangements.

HMRC state you should not use these arrangements as they aim to disguise the use of loans by transferring assets rather than actually making a genuine repayment. They are deliberately designed to try to avoid the loan charge.

If you use these arrangements HMRC state that the loan charge will still apply and you may face a significant penalty in addition to the tax charge.

Deliberately misleading or concealing information from HMRC may also result in criminal prosecution.

## **Spotlight 51**

[Guidance on Spotlight 51 available here](#)

HMRC is aware of a tax avoidance scheme often marketed as a wealth management strategy that attempts to disguise income and other taxable profits as loans or fiduciary receipts.

This scheme claims to provide remuneration or profits free of tax, and is different to the scheme used by contractors referred to in Spotlight 33.

HMRC's strong view is that this and similar schemes do not work and will challenge the promoters and users of this scheme.

HMRC's view is that the claims made by scheme promoters about the tax savings are not credible or genuine.

If you're using this or similar schemes or arrangements, HMRC strongly advises you to withdraw from it and settle your tax affairs.

HMRC state that if you do, you'll:

- avoid the costs of investigation and litigation
- minimise interest and, where they apply, penalty charges on the tax you should have paid

If you're already speaking to someone in HMRC about using an avoidance scheme, HMRC advise that you should contact them.

If you do not have a contact and you're in a tax avoidance scheme and want to get out you can email: [ca.c14.admin@hmrc.gov.uk](mailto:ca.c14.admin@hmrc.gov.uk).