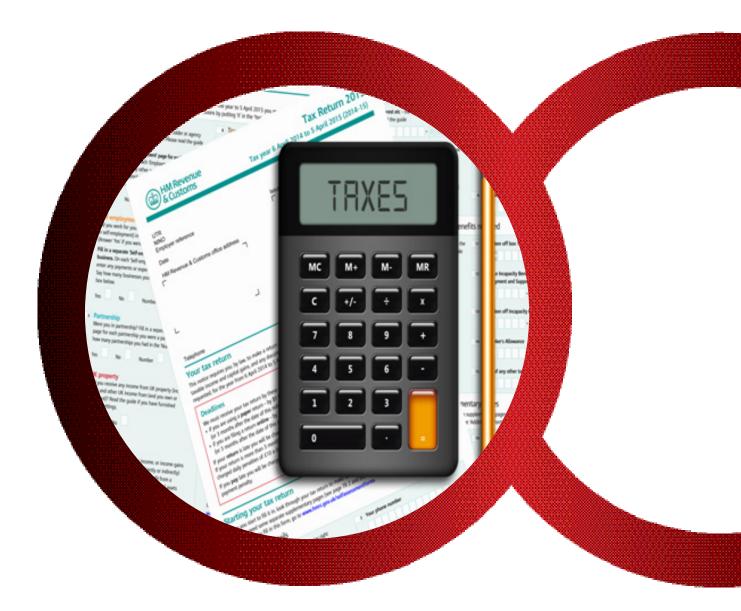
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## HMRC Guide

Helping Businesses with HMRC related queries VAT, PAYE and Corporation Tax

### Guide to dealing with HMRC

Raising finance can be daunting and exhausting and it can feel like the odds are stacked against you but there are a a number of alternatives to the traditional high street lenders. Perhaps you need a quick cash injection, or are in need of a some new equipment whatever your reason for needing finance there is now a variety of options available. Here we talk you through some of the options

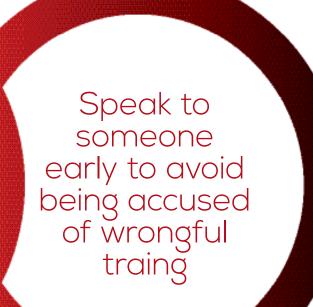
#### I am unable to pay HMRC? What do I do now?

ACT NOW. HMRC will always pursue their debts and wont reduce them. Ignoring demands could result in a winding up petition.

### What are my options in paying HMRC?

- Consider a Time to Pay arrangement (TTP)
- Company Voluntary Arrangement could be an option if your TTP application is declined
- If problems are more serious another recovery process may prevent HMRC taking more agressive action





#### Could I be personally liable?

If your company is insolvent, you may become personally liable if you continue to trade the company insolvently and do nothing about it. Owners and Directors that continue to trade are exposed to an increased risk of being accused of wrongful trading.

It can often be the case that you think things will improve with time but it is important to speak to someone early to avoid being accused of wrongful trading. By speaking with us you are taking action and facing up to the issues your business is facing.

#### What is a Time to Pay Arrangement (TTP)?

A time to pay arrangement is an instalment plan between HMRC and your company, allowing companies with financial difficulties extra time to pay back any monies owned.

#### Will a time to pay arrangement reduce what I owe?

Many companies are surprised to hear that their debts are not reduced when they enter to TTP arrangement.

Unfortunately HMRC do not reduce debts a TTP arrangement simply allows companies longer to repay debt.

It is important to be 100% honest with HMRC about your situation. A TTP arrangemnt is supposed to be a viable solution to your companies issues and not a temporary fix which could lead to further complications. HMRC will not break an agreement unless your circumstances change or they find out you have been dishonest.

#### How much time is normally given?

Usually these arrangements are made over a period of 3-6 months but every case is looked at individually and exceptions may be made. If payments are expected to take longer than a year it could be worth exploring other recovery options.



### How do I know if I am eligible for an HMRC time to pay arrangement?

HMRC will only enter into a TTP arrangement after checking the viability of a company and confirming that it lacks the ability to pay taxes on time.

Your company will need to put forward reasonable proposals that set out exactly what they wish to pay and back it up with evidence. This could be supported with balance sheets and sales forecasts.

It is important that your comapny has good records and is fully compliant.

## I am unsure if I can pay back my debts quickly to HMRC should I consider a CVA?

A CVA is a legally binding agreement that allows a company to freeze all unsecured debts and draw up a new repayment shedule and terms. By entering a CVA (if approved) it prevents HMRC and other creditors taking further action action while payments are kept up to date.

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# There are options available if you act early



The economic climate means many businesses are finding themselves in tough situations and unexpected events can easily spiral out of control leaving, you unable to pay your bills.

This situation is not unusual but unfortunately many companies ignore the issues. It is vital you don't make this mistake, there are options available to you if you act early.

- If your company is experiencing VAT and PAYE arrears or unpaid tax, our range of services can assist you with:
- Time to Pay Arrangements (TTP)
- HMRC Payment Demands
- Threat of bailiffs
- Winding up Petitions
- Unfair Penalties

Moorfields' Business Support Team specializes in providing confidential assistance and support in dealing with HMRC please contact

Nick O'Reilly T: 0207 186 1188 E: noreilly @moorfieldscr.com

Moorfields, 88 Wood Street, London, EC2V 7QF

Tel: +44 (0)20 7186 1144 Fax: +44 (0)20 7186 1177 Web: moorfieldscr.com Email: info@moorfieldscr.com

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