



# Coyne Butterworth Hardwicke

Lupins Business Centre, 1 - 3 Greenhill, Weymouth, Dorset, DT4 7SP

Tel: 01305 772458 :: Fax: 01305 779956 :: Email: office@cbhaccountants.com

www.cbhaccountants.com

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## INFORMATION SHEET

### Offshore Bank Interest Disclosure

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Apart from a small number of special cases, offshore interest has always been liable to UK tax. Many people think otherwise and do not declare it on annual tax returns.

Offshore is anywhere outside the UK and includes the Channel Islands and the Isle of Man, but is not confined to them.

The Revenue campaigned in 2007 to persuade people to make voluntary disclosure of tax liabilities linked to offshore bank accounts.

They are now to repeat the process for bank and building society accounts and claim to have access to a far wider group of financial institutions than was available to them in 2007. They are calling this scheme a **New Disclosure Opportunity (NDO)**.

What they want is for any person (and that seems to include a company) with offshore income to:

- (a) Make a voluntary **notification** of that fact (not necessarily with details) between 1 September 2009 and 30 November 2009.
- (b) Calculate (we can help) what the tax liability amounts to and **disclose** this amount to the Revenue by 31 January 2010 if doing so on paper, or by 12 March 2010 if doing so electronically!

Any amounts of tax due will then be charged with interest and a penalty of 10% of the tax due.

In the, hopefully rare, event of the Revenue having contacted anybody in 2007 and who did not then make a disclosure, a special penalty rate of 20% of the tax will be applied, again plus interest on the tax.

The Revenue have said they will not seek to collect any penalty if the tax involved is less than £1,000.

Last time they expected disclosure to cover the previous 20 years! This time they seem not to have set any time limit! That might be a problem for any disclosure made in 2007, if accounts actually went back further than that.

We are of course here to help if you need us, and our filing system contains details going back many years for some clients.

If using the special facility all liabilities must be included, not just those arising from offshore interest, and that extends to income tax, corporation tax, capital gains tax, value added tax, PAYE, inheritance tax, national insurance, and probably other things as well.

The above only seems to apply where there is offshore interest to trigger a disclosure. Whether the Revenue will allow other disclosures to carry a 10% penalty (instead of the usual 30 - 100% penalty) is not clear from their announcement.

We suspect this new facility will not apply to anyone currently under investigation.

The Revenue have published more details of this scheme on their website:  
<https://ndo.hmrc.gov.uk/ndo/index.jsp>

There is a special scheme for anyone with interest bearing accounts in Liechtenstein, details of which are not available, but will apparently run until 2015! How it fits in with the main scheme (Liechtenstein is offshore) is unclear at present.

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*The above is intended to offer the user general information of interest only. For advice on individual cases, please contact us to arrange a free informal and no obligation initial meeting.*

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