



E-Update: October 2009

This month Robert Bradley takes a look at the electronic filing regime being imposed by H M revenue & Customs and the danger of relying on advice from HMRC.

Electronic filing

The switch to online management and electronic payment of tax comes as a result of a review of our online services, commissioned by the Government.

You can already manage both your VAT affairs online. The VAT online service helps you to file your VAT returns quickly and make electronic payments. VAT management will be switching to online filing and electronic payment only from April 2010. If your turnover is more than £100,000, you will have to file your VAT return online for accounting periods that start on or after 1 April 2010. Or if you register for VAT on or after April 1 2010, you will have to file online regardless of your turnover.

It's a good idea to use the online service now if you can - it will save you time and in some cases it will give you an extra seven days to pay the VAT due.

Don't rely on advice from HMRC

The judge's verdict in a recent case confirmed the dangers of relying of relying on advice from the Taxman. The case of Corteck Limited involved a businessman, Mr Malde who was given advice over the phone by HMRC's National Advice on the VAT treatment of exports. HMRC later took a different view from the advice they had previously given and issued a VAT bill. Corktek appealed saying that HMRC should be bound by their original advice, even if it ultimately turned out to be wrong. The case ended up at the High Court where HMRC won. The lessons to be learnt from this case are:

- If you ring the National Advice Service provide them with as much information as you can. regarding the reason for, and the facts behind, your question. Keep a note of the date, time and details of the conversation.
- Don't rely on oral advice alone. Follow up the telephone call with a letter clearly setting out your understanding of the advice you've been given, and ask for written confirmation.

Although this case involved VAT, you should apply this advice to all taxes and all HMRC helplines. Often helpline staff are simply reading advice from help screens which is publicly available in their VAT guides so given this lack of expertise on their behalf, you need to guard against errors that could occur. If you are in doubt on any tax or other financial issue please call me and will be pleased to help or put you in touch with someone who can assist.

Robert Bradley

Bradley & Associates is the trading name of Robert J Bradley Limited Registered in England and Wales Company No. 04387789, Registered Office: Office 5, 16 New Street, Stourport, Worcs. DY13 UW. Visit us at www.bradleyandassociates.co.uk. Email: robert@bradleyandassociates.co.uk with "Unsubscribe" as the subject to remove yourself from our "E-Update" mailing list. No responsibility can be accepted for any action undertaken or refrained as a consequence of using this material.