

Press release: Bankruptcy extended for employee who assisted multi-million VAT fraud

Navdip Singh Talwar aged 32, a bankrupt from Derby, was a senior employee of a company which carried out a massive tax fraud.

In 2012, seven men involved in VAT fraud estimated at £45m were given jail sentences ranging from ten to 15 years.

A six-year investigation by HMRC had found that the men, along with their friends, fraudulently operated six companies, buying and selling mobile phones and CD ROMs.

Navdip Singh Talwar, who was a senior employee of the company, but not a director, had a duty to exercise reasonable skill and care in the performance of his duties.

However, the trial heard, he knowingly assisted the director of the company to engage in tax fraud.

As a result of his dishonest assistance and following legal action by the liquidator, Mr Talwar consented to pay £23m.

Being unable to repay the £23m, Mr Talwar petitioned for his own bankruptcy in June 2017.

Following his bankruptcy, Mr Talwar's conduct was looked into by a specialist team of investigators of the Insolvency Service.

If the Official Receiver considers that the conduct of a bankrupt has been dishonest or blameworthy in some other way, those facts can be reported to court, with a request for a Bankruptcy Restrictions Order (BRO) to be made. The court will consider this report and any other evidence and decide whether to make a BRO. If it does, the bankrupt will be subject to certain restrictions for a period between 2 to 15 years. The bankrupt may instead agree to a Bankruptcy Restrictions Undertaking (BRU) which has the same effect as an order, but will mean that the matter does not go to court.

On 17 May 2018, the Secretary of State accepted a BRU from Navdip Singh Talwar after he admitted to providing dishonest assistance to a company engaged in tax fraud.

His ban is effective from 17 May 2018 and lasts for 11 years.

Mr Ken Beasley, the Official Receiver of Public Interest Unit (North), part of the Insolvency Service, stated:

The Insolvency Service will take firm action when we find fraud in the market place.

Due to his actions, Mr Talwar was found liable for £23m and the consequence of his activities should serve as a lesson and deter others from acting in the same way.

The protection of limited liability is at risk when individuals participate in fraud or attempt to remove themselves from the firing line by not registering as a company director and action will be taken against them, whether they are a company director or an employee.

Notes to editors

Mr Navdip Singh Talwar is from Derby and his date of birth is December 1985.

Mr Talwar has given an undertaking to the Secretary of State for Business, Energy and Industrial Strategy, to be bound for eleven years, by the restrictions set out in insolvency law that a bankrupt is subject to until they are discharged from bankruptcy – normally 12 months – until 2029. In addition, he cannot manage or control a company during this period without leave of the court.

The restrictions set out in insolvency law that the bankrupt is subject to until they are discharged from bankruptcy – normally 12 months – include that bankrupts:

- must disclose their status to a credit provider if they wish to get credit of more than £500;
- who carry on business in a different name from the name in which they were made bankrupt, they must disclose to those they wish to do business with the name (or trading style) under which they were made bankrupt
- may not act as the director of a company nor take part in its promotion, formation or management unless they have a court's permission to do so
- may not act as an insolvency practitioner, or as the receiver or manager of the property of a company on behalf of debenture holders
- may not be a Member of Parliament in England or Wales

The Insolvency Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies.

The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

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