Tax avoidance promoter directors named for the first time

Tax avoidance bosses have been named for the first time in the latest move to help protect the public.

HM Revenue and Customs (HMRC) has used new powers today (31 August 2022) to publicly name <u>directors of tax avoidance promoting companies</u>, with customers being warned to leave the firms' schemes or risk large tax bills.

Adam Fathers is the director of tax avoidance promoter Saxonside Ltd while Stuart John Brooke is behind tax avoidance promoter The Umbrella Agency Ltd.

Naming the directors behind these schemes will alert the public to steer clear of any avoidance schemes promoted by other companies with the same directors.

Mary Aiston, HMRC's Director of Counter Avoidance, said:

Naming the people behind tax avoidance schemes is a crucial step in helping customers stay clear of current and future schemes they promote.

Our recent action should serve as a stark warning to promoters who think they can get away with peddling avoidance schemes. We will continue to use all the powers at our disposal to crack-down on promoters.

Customers who think they're involved in a tax avoidance scheme, should withdraw from the scheme and contact us for help as soon as possible.

The Umbrella Agency Ltd and its director have been exposed for the first time today. HMRC has also exposed the director of the previously named promoter Saxonside Ltd, with users of both schemes warned to withdraw or risk large tax bills.

Both schemes' users enter an employment contract with the promoter and are then paid the National Minimum Wage. Scheme users then receive the remainder of their income disguised in a bid to avoid paying Income Tax and National Insurance. Schemes such as these often wrongly promise their users can avoid National Insurance and Income Tax.

This latest step in HMRC's crack-down on tax avoidance promoters comes as a stop notice was issued earlier this month. This prevents the promoter from selling their scheme or face penalties of up to £1 million.

A total of 15 companies involved in promoting tax avoidance schemes have been

named by HMRC. This is not a complete list of all tax avoidance schemes currently being marketed, nor a complete list of all promoters, enablers, and suppliers.

HMRC also provides people with a range of tools to help them steer clear of avoidance schemes, as a part of the Tax Avoidance - Don't Get Caught Out campaign. These tools include an interactive risk checker, payslip guidance, and case studies demonstrating the risks of becoming involved in a tax avoidance scheme and the warning signs the public should look out for.

People who believe that they are involved in a tax avoidance scheme are advised to contact HMRC as quickly as possible by calling 03000 534 226. HMRC is also urging people who have been encouraged to get into a tax avoidance scheme or have come into contact with someone selling tax avoidance schemes to report this by using their online form.

Further details about both Saxonside Ltd and The Umbrella Agency Ltd can be found on HMRC's regularly updated list of named tax avoidance promoters.

New powers granted to HMRC under Section 86 of the Finance Act 2022 now enable HMRC to name directors, shareholders and company officers of companies suspected of promoting tax avoidance. They also enable HMRC to share the details of the schemes being promoted much faster than before. This is the first time that HMRC has used these new powers.

Further information about our <u>strategy on tax avoidance schemes and promoters</u>.