



Dee Bug
SA TEST RECORD
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Klaxon Regions
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Kent
TN9 1AA

Counter Avoidance
HM Revenue and Customs
BX9 1LW

Phone

Web www.gov.uk

Date 16 November 2022
NI number TR200002C
UTR 2222222222
Case Ref CFS-1

Dear Dee Bug

Your tax position for the year ended 5 April 2019

We're writing to you because we have found that there is additional tax due from you for the year ended 5 April 2019.

Our records show that you are (or were) self-employed. We believe you received payments for your services in the form of disguised remuneration loans.

A tax charge known as the 'loan charge' arises on disguised remuneration loans that were outstanding on 5 April 2019. You should have shown your outstanding loans as income on your tax return for the year ended 5 April 2019 and paid any tax due.

About the enclosed notice of assessment

In certain circumstances, we can make a tax assessment where we discover a loss of tax. The enclosed assessment is for the additional tax we believe is due on your income for the year ended 5 April 2019.

When calculating the additional tax, we have used the information available to us and our best judgment. You can find details of the information we used on the enclosed schedule.

What to do if you disagree

If you disagree with the assessment, you can appeal. The assessment tells you how. It also tells you what to do if you appeal and want to postpone payment of any of the tax.

We continue to charge late payment interest while payment of tax is postponed. If you appeal and postpone payment of tax, you'll have to pay interest on any tax that remains due once the appeal is settled.

If you think the information we have used to calculate the additional tax is wrong or incomplete, please let us have the right information when you appeal.

If you need extra support, for example if you have a disability, a mental health condition, or do not speak English/Welsh, go to www.gov.uk and search for 'get help from HMRC'.
Text Relay service prefix number – 18001

Settling your overall tax position for disguised remuneration loans

You can still settle your tax position under our 2020 settlement terms for disguised remuneration loans. This will let you resolve your affairs relating to disguised remuneration loans now.

Settling would mean agreeing with us what you owe and, if you need to, arranging a manageable payment plan. We can include any tax due for the year ending 5 April 2019 in the settlement amount.

For more information about settling, go to www.gov.uk and search for 'disguised remuneration settling your tax affairs'. You can find a link on that page to:

- the 2020 settlement terms
- the online form you can use to give us the information we need

If you just want to find out what settling would mean for you, please contact us. You can talk to us without having to agree to settle. Our contact details are at the top of this letter.

If you're already working with us to settle, please contact the officer who is dealing with your case. They will talk to you about the reason for this assessment and what you need to do now.

If you're worried about paying anything you owe

If you think you'll have problems paying anything you owe, please tell us. We want to work with you to find a way of paying that you can afford. For example, through a payment plan where you can pay in instalments.

We'll take a realistic look at your income, assets and essential outgoings, alongside what you owe and any other debts. We'll then consider how much you're able to pay, and over what period. If there are any changes in your circumstances, we'll take these into account.

Your tax adviser

We have sent a copy of this letter to your tax adviser, [Adviser Name]. You may want to talk to them about this.

Extra support and change of circumstances

If your circumstances have changed since you last contacted us and you think this may affect how or when you can deal with us, please let us know. We'll continue to help you in whatever way we can. For more information about this, go to www.gov.uk and search for 'get help from HMRC if you need extra support'.

More information and contacting us

We have enclosed our helpsheet 'Disguised remuneration loan charge – contractors and employees'. It tells you more about disguised remuneration, including where to find our online guidance.

If you have any questions about this letter or the enclosed assessment, please contact us. Our contact details are at the top of this letter.

If you would like to contact us by email, please be aware that email is not secure. Please only use email to contact us or send us information if you accept the risks. For more information, please read factsheet DSC1, 'Corresponding with HMRC by email'. To find this factsheet go to www.gov.uk and search 'corresponding with HMRC by email'.

If you email us about this letter, please type the reference 'DR4040 CFS-1' in the subject field of your email. You also need to confirm in the email that you understand and accept the risks of using email.

Yours sincerely

HMRC

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account
Or you can use the HMRC app.

To find out what you can expect from us and what we expect from you go to www.gov.uk and search for 'HMRC Charter'.