

Disclosure Facility for Offshore Monies The “LDF”



With the increasing focus on offshore accounts as illustrated by the recent acquisition of Swiss bank data by Wikileaks, it is useful to know a client's potential options if they mention undisclosed offshore income.

This is where the Liechtenstein Disclosure Facility (LDF) comes in.

But they don't have assets in Liechtenstein...



In order to qualify for the terms of the LDF, it is not necessary for assets to have been held in Liechtenstein historically.

Instead a taxpayer could invest in relevant Liechtenstein property now so as to be able to utilise the favourable terms of the LDF for undisclosed UK tax liabilities in past years.



What is it?

The LDF is a disclosure process for UK residents with UK tax irregularities connected to a bank account, investment or structure (for example, a trust, foundation or company) in Liechtenstein

Favourable Terms

- The disclosure is **limited** to the period from April 1999 (rather than the normal 20 year period), meaning a substantial reduction in the potential tax due.
- HMRC have stated that a taxpayer making a full, complete and unprompted disclosure under the LDF **will not be prosecuted** by them for a tax-related offence, providing the source of the funds does not arise from wider criminality.
- A **fixed penalty of 10%** will be charged (under normal tax rules penalties can be as high as 100% of the tax payable)

Eaves & Co have already successfully completed one LDF, and work is on going on several others.

We would be more than happy to help with the disclosure of any new issues if you come across them.

We are a team of Independent Specialist Tax Advisors who work with:

- Accountants
- IFA's
- Solicitors
- Businesses
- Individuals

Further details can be found on our website:
www.eavesandco.co.uk

Eaves and Co Specialist Tax Advisors

Partners: Paul Eaves, Paul Davison, Equity Value Ltd.
12 York Place, Leeds, LS1 2DS
Telephone: 0113 238 4030