

Early Closure of Disclosure Facilities - Last call!

- As announced in the March 2015 Budget, the UK's Liechtenstein Disclosure Facility (LDF) and Crown Dependencies Disclosure Facilities (CDDFS) (Jersey, Guernsey and the Isle of Man), which were formerly to run until 5 April 2016 (for the LDF) and 30 September 2016 (for the CDDFs), are all to close on 31 December 2015.
- This unexpected development means that anyone with undisclosed UK tax liabilities (including NIC) wishing to take advantage of the terms offered by the existing Facilities should consider these measures without delay.
- The favourable terms offered by the existing Disclosure Facilities (particularly the LDF) will not be replicated in the new tougher facility (to be introduced from 2016), which will include penalties of at least 30%.
- The LDF remains the most successful and attractive facility available to date with the key benefit to all users being immunity from prosecution and the availability of a composite rate option known as the "CRO" for the method of tax calculation, which may result in certain liabilities including Inheritance Tax (IHT) being reduced to zero in certain circumstances. No other disclosure facilities enjoy this advantage and it is extremely unlikely that any future facility will permit IHT liabilities to be eliminated in this way.
- It is worth remembering that where there is an element of uncertainty about historic liabilities, "nil" disclosures can be made under all of the facilities.
- In the light of the Chancellor's announcement, action should be taken now before any further changes are announced.

For further information or to discuss any of the issues raised in this briefing note, please contact a member of the Rooks Rider Solicitors' team:



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