



# Compliance Reviews Fact Sheet

Issued: 05/06/2024

## About compliance reviews

We've asked you to read this factsheet because we've started a compliance review. Please keep it safe – you may need to refer to it during the review. A compliance review allows us to examine your tax position, to make sure you're:

- paying the right amount of tax at the right time
- getting the right allowances and tax reliefs

We may ask you to give us information or documents to help with the review.

## If you need help

If you have any health or personal circumstances that may make it difficult for you to deal with this compliance review, please tell the officer who's contacted you. We'll help you in whatever way we can.

You can also ask someone else to deal with us on your behalf, for example, a tax agent, friend or relative. We may however still need to talk or write to you directly about some things.

## Authorising a representative

If you have a representative, you can ask us to deal directly with them during the compliance review.

You may want to authorise either a:

- tax agent (ask them to give you an authorisation form to complete and send to us), or
- friend or relative (write to us and say who you want to authorise and what you want them to deal with on your behalf).

Even if you have an agent, you are still personally responsible for your own tax affairs and for ensuring true and correct tax returns are made to Revenue Jersey.

## The compliance review

To help you understand the compliance review process, we've included an extract from the Code of Practice on Compliance Activities, *Appendix 3 – High-Level Process Flow*

Before we start the review, we'll notify you in writing about the upcoming review and offer you the opportunity to make a voluntary disclosure before the start of the review.

For more information about voluntary disclosures, you can access the webpage on [www.gov.je](https://www.gov.je) and search for Voluntary disclosure or access the link directly at <https://www.gov.je/TaxesMoney/Compliance/TaxDisclosure/Pages/index.aspx>

When we start the review we'll tell you what we need from you together with the due date for submission.

During the review we may ask you to help us in several different ways depending on what we are reviewing such as by:

- asking you to send us any information or documents that we need. If you need extra time or have any difficulties providing these, please tell us so that we can try to help you
- meeting with us to discuss your tax affairs and records. If we do, we'll explain why – you can choose if you want to have this meeting or not
- visiting your business premises to inspect your premises, assets and records. If we need to visit your business, we'll usually agree a convenient date and time for our visit

If we cannot agree with you about sending us information or documents, or visiting your business premises, we may have to use our legal powers to get what we need.

For more information about our legal powers, refer to the webpage on [www.gov.je](https://www.gov.je) and search for Civil information powers or access the directly link at <https://www.gov.je/TaxesMoney/Compliance/Pages/InformationPowers.aspx>

You can speak to the officer who's dealing with the review if you:

- are not sure why we're asking for something
- cannot do what we ask
- think that something we've asked for is unreasonable or not relevant to the review
- have any other questions at any stage of the review

Please continue to send returns or make payments during this compliance review, if they're due.

## Your principal rights and obligations

Our 'Customers' Charter' explains what you can expect from us and what we expect from you. For more information, go to [About Revenue Jersey \(gov.je\)](https://www.gov.je)

## The benefits of helping us with the compliance review

If you help us with the compliance review, we can:

- complete it quickly and reduce any inconvenience to you
- reduce the amount of any penalty we charge you, if we find there's something wrong

If we find something wrong, we'll work with you to put it right, and tell you if you need to pay any additional tax and surcharges or penalties.

If we're considering charging you a penalty, we'll look at how much assistance you've given us during the review. We call this assistance the 'quality of disclosure'.

We measure the quality of disclosure by considering how much:

- you tell us about what's wrong
- help you give us to work out what's wrong
- access you give us to the information or documents we need to complete the review

If there are ways that you can help us with the review but you choose not to, this will affect our view on the quality of disclosure. For example, if we ask:

- to visit your business premises to inspect your business records and assets, but you do not let us
- for information or documents, but you do not give us everything we've asked for

## How to get the maximum penalty reduction if something is wrong

If there's something wrong and you do everything you can to assist us, we'll reduce the penalty by the maximum amount possible.

If you know or suspect that there's something wrong, to get the maximum reduction possible, you must:

- tell us everything you know about it immediately
- work with us to establish your correct tax position

If we find something wrong that you did not know about, to get the maximum reduction possible, you must:

- have given us as much assistance as we needed, up to the point we found something wrong
- immediately tell the officer dealing with the review everything about it, let them see any records they ask for, and help them to work out the right amount of tax

To work out the quality of disclosure, we also consider how long it's taken you to tell us about anything that's wrong. If it's taken you a long time, (such as 3 years or more), we usually restrict the maximum reduction we give.

## If you think we should stop the compliance review

If you think we should stop the review, you first need to tell us why. If we do not agree, you may ask for a senior member of Revenue Jersey uninvolved with the matter to review the positions taken by the officer conducting the compliance review.

## If something is wrong

If we find something wrong, we'll:

- explain why it's wrong, and work with you to put it right
- tell you how to prevent it happening again, where possible

If you owe us money, we'll tell you how to pay. This may also include surcharges and any penalties we've charged you. If we owe you money, we'll normally refund it to you or credit your account.

## If you've deliberately done something wrong

If you deliberately got your tax affairs wrong, and we find this during the compliance review, we may:

- apply penalties for deliberate non-compliant behaviour, which range from a minimum of 50% (or 30% if a voluntary disclosure was made) to 150%; and/or
- refer to the Attorney General to consider prosecution; and
- monitor your tax affairs more closely.

## What happens at the end of the compliance review

When we've completed the compliance review, we'll send you the following correspondence:

- A Letter of Findings, which will also tell you whether we're considering penalties and the reasons for those penalties (for further information on compliance penalties, refer to the factsheet on compliance penalties which can be accessed at [www.gov.je](http://www.gov.je) and search for 'RJ/CP') and/or
- A pecuniary settlement (this is only applicable for years of assessment 2018 and earlier)

The Letter of Findings offers you a final opportunity to submit any other information to be taken into account before we finalise the compliance review. The review will be finished when we issue:

- an assessment, or amendment to an assessment
- a penalty notice, if a penalty is due

We may accept a pecuniary settlement instead of proceedings being instituted in respect of the offence for years of assessment 2018 and earlier. A pecuniary settlement is money paid to settle the review.

## If you disagree

Issuing the assessment is the decision. If we make a decision that you can appeal against, we'll write to you about the decision and tell you what to do if you disagree. You'll usually have 3 options:

- send new information to the officer dealing with the compliance review and ask them to take it into account
- have your case reviewed by a Revenue Jersey officer who has not been involved in the matter
- within 40 days, appeal to the Commissioners of Appeal to hear your appeal and decide the matter

## **If you cannot pay what you owe**

If you think you may have problems paying, please tell the officer dealing with the compliance review straight away.

## **Compliance reviews that this factsheet relates to**

This factsheet relates to compliance reviews for the following:

- Corporate Income Tax
- Income Tax Instalment System (ITIS)
- Goods and Services Tax (GST)
- Long Term Care (LTC)
- Personal Income Tax
- Social Security Contributions
- Land Transactions Tax (LTT)
- Enveloped Property Transactions Tax (EPTT)

## Appendix 1: High Level Process Flow

