



Loan Charge Update - Personal Statement
Individual facing the Loan Charge - Form 2(a)

Loan scheme(s) used / operator(s)

Fernleigh EBT - Montpellier (IOM)

Approximate liability in £ (nearest £5K)

£450,000

Amount in £ of any money paid to HMRC so far e.g. APNs, Penalties (nearest £5K)

If your loan has been subject to recall demands :

Who is demanding repayment ?

Fernleigh

How many months/years using loan arrangements

And for how much in £

£718,000

6 years

Report of any action to date by and latest communication from HMRC

Was supposed to go to FTT in September last year (2021) however Montpellier went into administration and case struck out. Have instructed another consultancy to liaise with HMRC over matter. HMRC demanded full payment of tax liability late last year (2021). Awaiting advice

The personal impact (financially and in other ways) so far

This has put my life on hold. I cannot plan forward financially with this demand hanging over my head. Naively I took the stance that a loan was a loan and if paid back, why should it be taxed? however I now endure the double whammy of paying off my loan and probably losing all of that money as well as HMRC demanding payment on money I paid over to Montpellier.

The personal impact (financially and in other ways) if HMRC enforce the Loan Charge as laid down in the legislation

It is the retrospectivity which I deplore and the methods HMRC use to demand payments. As far as I can gather, schemes such as the ones I used were in a grey area for years before I started using them. In the beginning, there were no warnings from HMRC that these schemes were illegal and the scheme providers were always working in loopholes. Why did not HMRC, shut down these schemes at source? If my appeal is lost and HMRC demand payment, I will have to sell down investments and probably look at selling my home to raise the capital required. I choose to look on the positive side and not think about this too often. Obviously my plans to enjoy my retirement has and will be severely impacted if / when this day arrives.