All-Party Parliamentary Loan Charge Taxpayer Fairness Group

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

Loan scheme(s) used / operator(s)

Principal Contractors Ltd,SP Management Ltd,(both are , were Knox House Trust schemes)

Approximate liability in £ (nearest £5K)

£55,000

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

£1,983

If your loan has been subject to recall demands :

Who is demanding repayment ?

And for how much in £

How many months/years using loan arrangements

3 years and 8 months (with gaps)

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

On the advice of my tax adviser at the time, Phil Manley, I declared my PCL loans but not my SPM Ltd loans at the end of Sept 2020. Over the past 3 to 4 years HMRC has plied me with aggressive demand letters, Section 29 and Regulation 80 orders and county court summons.

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

I have been under incredible stress, emotionally and financially, since first being informed of the Loan Charge in May 2018. In Nov 2014 when I joined the PCL scheme, I did not do so rashly - I took 10 months or so to make my decision. I was not only advised by the scheme provider, but a well-reputed accountancy firm first informed me of these schemes in Jan 2014, 10 months before I joined PCLâ€™s scheme. The senior partner in the accountancy firm was operating his own scheme out of Mauritius. I have always sought good professional advice when working as a contractor and working out of my limited company. I have appointed chartered accountants and tax advisers.My stress was further compounded by being ill-advised by the specialist tax adviser, Phil Manley, who disappeared and deserted his many clients in September 2020 - I had been with him for over 2 years as one of his first clients. I am now with another adviser, Gilbert Tax, who seem much better.The stress particularly affected me in 2018 and 2019 when seeking new contracts - I felt very paralysed mentally - and has returned in 2020 to 2022 with the effects of COVID-19 lockdowns.

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

As described, I declared PCL loans in Sept 2020. I opted to spread the loans over three financial years, 2018/19, 2019/20 and 2020/21, as offered by HMRC and entered a 7-year Time-to-Pay (TTP) agreement for the â€˜taxâ€™ due. I have been making monthly payments since Feb 2021.On the advice and with the help of Gilbert Tax, I have requested to be considered for HMRCâ€™s Settlement offer. Gilbert Tax thought that not declaring the SPM Ltd loans carried too much risk, even if there were possible grounds for not considering the loans captured by the Loan Charge. I declared ALL my loans, including the PCL loans again, and Gilbert Tax is currently in discussion on my behalf with HMRCâ€™s Loan Charge team. Whilst HMRC has eased off sending threatening letters, have upheld appeals and suspended court action, it is quite clear that they are pursuing maximum tax and are even seeking to impose penalties amounting to thousands of pounds. This is hardly a settlement and more like punitive action. I have been unemployed since March 2020, when my last contract completed, throughout the pandemic and up to present day, and have eroded savings and my limited company reserves. After discussions with Gilbert Tax, if HMRC still pursue maximum liability, which could be £55,000 or more, then I could face bankruptcy or having to take humiliating loans from family. I have a lever-arch file worth of letters and dread brown envelopes in the post.