Offshore investment funds: HMRC letter to taxpayers

Personal tax

01 January 2020

HMRC have recently sent out letters to taxpayers asking them to check that they have correctly declared money received from offshore investment funds.

HMRC carried out a bulk mailing of letters in early November 2019 to a subset of taxpayers whose tax affairs are dealt with by HMRC's Wealthy & Mid-Sized Business unit. The letters ask recipients to check that they have correctly declared money received from offshore (overseas) collective investment funds and include a factsheet that gives more details.

The tax reporting rules around disclosing income and gains from such funds can be complex, and, as such, it has been identified by HMRC as a high risk area for errors. The purpose of issuing the letters was primarily educational to prevent errors in the run up to the self-assessment tax return filing peak.

HMRC supplied us with a sample letter and a briefing containing some background information about the mailing, both of which we have posted on our website.

In sharing this information with the CIOT and other stakeholders in the Wealthy External Forum, HMRC are hoping for early feedback about the mailing. They hope to be able to share further briefings and sample letters with us for similar mailing campaigns in the future. They are also interested in feedback generally about their approach and how beneficial we think these briefings/sample letters are.

If you have any comments about this mailing or other feedback on HMRC's approach, please email them to technical@ciot.org.uk.