[2021] UKFTT 150 (TC)

TC08119

Keywords Application for Closure Notices, Balance of public interest and taxpayers' interests, Application dismissed.

FIRST -TIER TRIBUNAL
TAXCHAMBER

Appeal numbers:
TC/2020/03978/03979/03980/00780/04127

BETWEEN

GEARSLUTZ.COM LIMITED & JULIAN STANDEN **Appellants**

-and-

THE COMMISSIONERS FOR
HER MAJESTY'S REVENUE AND CUSTOMS **Respondents**

TRIBUNAL: JUDGE Heather Gething

The hearing took place on 9 April 2021. With the consent of the parties, the form of the hearing was V (video) using the Tribunal video platform. The documents to which I was referred are a trial bundle in two volumes and an additional volume of authorities prepared by the Appellants and skeleton arguments prepared by bother parties.

Mr Michael Avient, Counsel, instructed by InTax for the Appellant

Mr Harry Dixon, litigator of HM Revenue and Customs' Solicitor's Office, for the Respondents

DECISION

INTRODUCTION

1. This is an application for:

   (1) a closure notice to be issued within 30 days of a direction to do so, in respect of the enquiries into Mr Standen's self-assessment return for the period ended 5 April 2015 under section 28A(4) Taxes Management Act 1970 ("*TMA*"), and

   (2) closure notices to be issued in respect of enquiries into the corporation tax returns of Gearslutz.com Limited ("*GSL*") under para 33 of Schedule 18 Finance Act 1998, for the periods ended 29 April 2015 and 2016, within 30 days of a direction to do so and in relation to the enquiry into the period ended 29 April 2017. not later than 3 months after the date of the direction.

2. I dismiss the applications on the ground that I am satisfied HMRC reasonably requires information to determine the correct tax treatment of transactions between the Appellants, payments made by GSL, and payments received by Mr Standen.

THE STATUTORY TEST

3. Section 28A(4) Taxes Management Act 1970 provides that a taxpayer who has filed a return under section 9A of TMA in respect of which an enquiry has been made may apply to the Tribunal for a direction

"*requiring an officer of the Board to issue a partial or final closure notice within a specified period*."

Section 28A(6) provides that:

"*The Tribunal shall give the direction applied for* ***unless… satisfied that there are reasonable grounds for not issuing*** *the partial or final closure notice within a specified period.*" [My emphasis.]

Para 33 of Schedule 18 to the Finance Act 1998 makes identical provision for an application to be made by a company that has filed a return and in respect of which an enquiry has been made.

THE FACTS

4. Mr Standen provided a witness statement and oral evidence and was cross examined by the representative of HMRC. Mr Wren an Officer of HMRC also gave evidence and was cross examined by counsel for the Appellants. I find the following facts:

Background – establishment of the business and incorporation of GSL

   (1) Many years ago, Mr Julian Standen established an on-line platform through which musicians and music professionals could communicate. This started out as a hobby. The owner of the platform decided to charge users for the use of the platform and users fell away. Mr Standen decided to set up his own platform using his own forum software and with the assistance of a software developer, a new forum called Gearslutz.com was created. In 2004, Mr Standen began to monetise the platform through advertising products and services of interest to those professionals using the platform. Mr Standen had very good recall of the business background.

   (2) Mr Standen was advised by Berg Kapberg Lewis (***"BKL"***, a firm of accountants, to incorporate the Geraslutz.com business and inconsequence the company Gearslutz.com Limited (***"GSL")*** was formed on 8 April 2011 with issued share capital of £100.

(3) There was no written agreement for the transfer of the business and assets to GSL. Mr Standen had no detailed recollection of the transfer of the business or subsequent events concerning the amortisation of the intellectual property.

(4) Mr Standen is dyslexic and is totally reliant on his advisers in relation to compliance issues.

(5) The first set of accounts filed at Companies House of GSL were accounts for the period ended 29 April 2012 and were abbreviated. The notes indicate that tangible assets are stated at cost less depreciation and they are written off over their useful life. The opening value of the tangible assets was £32,396 and a depreciation charge of £8,099 was made giving net assets of £24,297. There is no mention of the intangible assets having been acquired. The accounts show creditors due within one year as £38,147. Given that the consideration for the asset transfer was not the issue of shares, it is possible the creditors reflects the consideration due to Mr Standen for the physical assets acquired.

(6) The accounts filed for the period 29 April 2013 show the fixed assets were depreciated by 25%. Creditors falling due within one year increased to £61,648.

Instruction of Optimal Compliance Limited ("Optimal")

(7) Mr Standen instructed Optimal in September 2014. Optimal advised Mr Standen and GSL that the intangible assets of the Gearslutz.com business had a value of £750,000 at the date of incorporation and that the value could be amortised. I infer from this that they also advised that the agreement to transfer the assets could be altered retrospectively. Mr Standen had no understanding of the terms of the retrospective amendment to the asset transfer.

(8) Optimal prepared accounts for the period ended 29 April 2014. Mr Standen has no understanding of how the value of £750,000 was arrived at and nor does he have a record of the basis of valuation. The accounts filed at Companies House and sent to HMRC, for the period ended 29 April 2014 state that intangible assets had been acquired for £750,000 at an unspecified date. I note that the accounts filed at Companies House for 2014 restate the accounts for 2013.

(9) The 2014 accounts show an abbreviated balance sheet:

Fixed Assets	2014	2013
Intangible assets	300,000	450,000
Tangible assets	8,099	16.198
	308,099	466,198
Current Assets		
Debtors	2.548	16,197
Cash at hand and at bank	9,809	60,676
Creditors: amounts falling due in year	-	(20,845)
Net current assets (liabilities)	12,357	56,028
Total assets less current liabilities	320,456	522,226
Creditors: falling due after more than a year	(300,000)	(450,000)
Total net assets (liabilities)	20,456	56,028
Capital and reserves		
Called up share capital	100	100
Profit and loss account	20,356	72,126
Shareholder's funds	20,456	72,226

(10) As the assets are assumed to have been acquired in 2011 for £750,000 it seems that an amortisation charge of £150,000 was assumed in each of the periods ended 29 April 2012, 2013 and 2014. There is a direct correlation between the value of the intangibles and the creditors due in more than one year in these years.

HMRC's enquiries into Mr Standen's return for the period ended 5 April 2015

(11) On 24 January 2017, HMRC opened an enquiry to check the self-assessment tax return of Mr Standen for the year ended 5 April 2015. A letter was also sent to Mr Standen's home and to Optimal's offices. The enquiry was stated to be one of a number into returns to ensure that the right amount of tax was being paid. Attached to the letter is a schedule of information and documents that were required to carry out the check. It states:

"*To help us with our check we need the following information and documents:*

"*In what follows any reference to the agreements" should be read as* **including** [emphasis added]*:*

- *Any agreements between you and [GSL] which varied the terms and conditions, hours or remuneration of your employment with [GSL], sometimes called a Variation and Settlement Agreement, and*
- *Any agreements between you and GSL which concerned the sale or licence of any intellectual property or other intangible assets, sometimes called a name agreement or Methodology Agreement."*

(12) A list of questions followed. Questions 6 and 7 are material:

"6. *Details of any intellectual property (IP) made available to GSL under the agreements, to include:*

> *(a) Specifically what IP has been licenced*
>
> *(b) How the IP has been transferred or otherwise made available for the company to use*
>
> *(c) The source of the IP – how and when it was created, developed or acquired by you*
>
> *(d) Details of any use that has been made of the IP by you or any third party ..during the period of the licence.*

"7 Details of how any amounts you received under each of the agreements were treated for tax purposes."

(13) Mr Standen contacted Optimal about the letter requesting information. Optimal simply advised him they were not concerned about the enquiry. It transpired that Optimal had been the subject of a dawn raid because HMRC perceived Optimal to be promoting a tax scheme potentially involving evasion of tax, concerning amortisation of intangible assets. (The Appellants consider that this fact may have inhibited Optimal from engaging with Mr Standen and GSL in relation to enquiries into GSL's returns and prevented Optimal from forwarding the later enquiries into GSL to Mr Standen). Mr Standen was unaware of the raid at the time.

(14) Mr Standen appointed InTAX to handle the enquiry. In a reply dated 1 April 2017. InTAX set out verbatim the bullet points above, leaving out the introductory inclusive language, and state, "*I can advise you that no agreements of the type described above were entered into during the year ended 5 April 2015, consequently your request for information and documents relative to any such agreements become a non sequitur.*"

(15) InTAX go on to state that the accounts of GSL show that intellectual property with a value of £750,000 had been introduced to GSL in the period ended 29 April 2012. InTAX state that they had been advised by GSL's previous advisor, Optimal, that Optimal had assessed the value of the software and other intellectual property as £750,000 at the date of incorporation of GSL.

(16) There is no mention in the reply:

> (a) That there was no written or oral agreement for the transfer of the intangible assets at 10 April 2011,
>
> (b) That the arrangement was said to have had retrospective effect,
>
> (c) Of the terms, such as warranties and non-compete clauses to support the valuation in 2011
>
> (d) Of whether the £750,000 was paid to Mr Standen for the intangible assets or left outstanding as a debt due or whether the £750,000 was to be paid by instalments.
>
> (e) In answer to question 7 - as to how the £750,000 was taxed.

(17) I asked counsel for the Appellants about the disposal by Mr Standen, the need for a non-compete clause, the nature of the consideration, whether it was a sum left outstanding or payable periodically, and its taxation consequences, but I received no satisfactory reply.

(18) InTAX pursued HMRC by phone and email in 2018 and 2019 seeking settlement of the issues under enquiry.

(19) On 14 June 2019 HMRC asked for a copy of the valuation of the intellectual property and any documentation relating to intangibles including a full description of the assets included.

(20) On 9 July 2019 InTAX informed HMRC that there is no formal valuation document of the intellectual property assigned to GSL. InTAX indicated that an offer had been made for the business in March 2019 for US$3.1m and suggested that the valuation in 2011 was understated.

(21) On 18 July 2019 HMRC notified Mr Standen that the enquiry was to be handled by the Counter Avoidance team in Manchester.

(22) On 6 January 2020 InTAX informed HMRC that as Mr Standen had heard nothing from HMRC he was now considering applying to the Tribunal for a final closure notice. That was done on 10 February 2020.

(23) On 31 July 2020 Officer Wren wrote to InTAX in respect of both GSL and Mr Standen setting out all issues of concern.

(24) On 11 December 2020 Officer Wren wrote a substantive letter to Mr Standen setting out the issues of concern and a list of information he required. On 16 March 2020 time was given to reply as Mr Standen's advisor was suffering from ill health.

(25) HMRC's resources were fully stretched in dealing with various avoidance schemes over the period in question which had resulted in delays in replying to the Appellants emails and calls.

HMRC's Enquiries into GSL returns

(26) BKL had submitted the original GSL corporation tax returns for the years ended 29 April 2012 and 2013.

(27) Optimal had submitted the corporation tax returns of GSL for each of the years ended 29 April 2014, 2015, 2016 and 2017, and had submitted an amended return for the period ended 29 April 2013.

(28) One aspect of the amended return was the "reversal of a dividend" of £150,000 and the introduction of amortisation relief of £150,000. Another was a payment of £55,000 to Mr Standen's ex-wife, referred to as a "VASA", referring to a variation and settlement agreement. VASAs were part of the standard avoidance arrangement that HMRC was concerned about and was being promulgated by Optimal. The VASA was in the 2014 period but it overlaps with the income tax period 2014-15 which is under enquiry.

(29) HMRC opened enquiries into the returns of GSL for each of the periods ended 29 April 2015, 2016, 2017 and 2018. The enquiries were commenced by the following letters sent to the registered office of GSL which included a list of questions which at the time was also the address of the then accounting adviser:

(a) 2015 – by letter dated 25 April 2017

(b) 2016 - by letter dated 21 March 2018

(c) 2017 – by letter dated 1 April 2019.

(d) 2018 – by letter dated 29 January 2020

(30) The accounting advisers to GSL were as follows:

(a) BKL from 2011 to September 2014

(b) Optimal from September 2014 until February 2018

(c) Norwoods from February 2018 to present day.

(31) GSL did not respond to the enquiries into 2015, 2016 and 2017. Neither Optimal nor Norwoods informed Mr Standen of the receipt of the notices of enquiry into GSL for those years. No explanation has been provided by the accounting firms for their failures.

(32) Norwoods notified Mr Standen of the enquiry into 2018. Mr Standen appointed InTax to handle that enquiry and they informed HMRC that the enquiry was out of time by letter of 11 February 2020. This is accepted by HMRC.

(33) Norwoods had prepared the accounts for 2018 and in doing so were obliged to restate the 2017 accounts so the comparative figures for 2017 in the 2018 accounts differ from the 2017 accounts prepared by Optimal and filed in support of the 2017 tax return of GSL. The Appellants accept that HMRC require information to explain the differences in the 2017 accounts as filed with HMRC and the 2017 comparative figures in the 2018 accounts

(34) HMRC issued Regulation 80 Determinations under The Income Tax (Pay as You Earn) Regulations) 2003 SI 2003/ 2682 to GSL in relation to Pay as You Earn:

(a) 2014-15 on 26 March 2019, and

(b) 2015-16 on 30 March 2020.

(35) HMRC also issued a Decision under S8 Social Security Contribution (Transfer of Functions etc.) Act 1999 relating to National Insurance Contributions ("***NIC***s") in relation to 2015-16.

(36) HMRC consider these were protective steps notwithstanding that the decisions and determinations expressly state that decisions had been made. They were sent to the registered office of GSL with a copy to Norwood, the appointed agent at the time. They were received by Mr Standen.

(37) County Court proceedings were commenced for recovery of the NICs within the 6 year limit from the due date for payment. Proceedings were commenced for 2014-15 although no section 8 determination had been issued for that year. GSL contested the proceedings and they have been stayed pending determination of the proceedings in this Tribunal.

(38) Mr Standen first became aware of the enquiries into GSL's Corporation Tax returns for 2015, 2016 and 2017 by Mr Wren's letter of 31 July 2020 which set out the background to the enquiry and the issues of concern including the tax avoidance arrangement offered by Optimal which included VASAs which HMRC thought might have been disguised remuneration of Mr Standen. Mr Standen admitted that the VASA had been paid to Mr Standen's former wife as part of a divorce settlement and was not deductible.

(39) On 1 October 2020 GSL asked for a final closure notice for all periods.

(40) On 11 December HMRC wrote again explaining their need to understand the whole facts to be able to make an informed decision. HMRC provided extra time to enable the Appellants to respond due to the ill health of GSL's advisor.

(41) HMRC wrote on 20 March 2021 allowing GSL's tax agent more time to reply to the December 2020 request for information.

(42) There was no claim for amortisation relief in 2017. The issue of the 2017 comparative figures in the 2018 accounts was raised for the first time in late 2020.

THE APPELLANT'S CONTENTIONS

5. The Appellants say the correct test for the Tribunal, to adopt in relation to an application for a closure notice was discussed in *Revenue &Customs Commissioners v Vodafone 2* [2005] EWHC 3040 (Ch) at [44] ***(Vodafone 2)*** which was endorsed by Judge Saddler in the FTT in *Eclipse V HMRC* [2009] STC at [19], It requires a "*reasonable balance"* to be struck between the different interests of the parties. Judge Saddler went on to say at [19] , *"A closure notice can be required notwithstanding that the officer has not pursued to the end every line of enquiry or investigation, what is required is that he should have conducted his enquiry to a point where it is reasonable for him to make an informed judgment as to the matter in question, so that exercising his judgement, he can state his conclusions and make any related amendments to the taxpayer's return.*" The Appellants say that the balance in this case lies with the taxpayer and the issue of closure notices.

6. The Appellants say that in determining whether "*reasonable grounds*" exist for not issuing a closure notice, considerations are "*primarily directed towards assessing the adequacy of the information available to HMRC*" see *Embiricos v Revenue & Customs Commissioners* [2020] UKUT 370 (TCC) at [83].

7. The Appellants consider that the test is not a straight-jacket and there is little to be gained in looking at FTT decisions to seek to discern legal principles, as each case turns on its own facts, see *Frosh v Revenue & Customs Commissioners* UKUT [2017] 0320 (TCC) at [43]. The only relevant consideration is whether HMRC have reasonable grounds for not issuing a closure notice.

8. Park J in *Vodafone 2* at [45] explained that, *"Paragraph 33 is meant to be a protection to a taxpayer, by giving it a procedure whereby, if it believes that an enquiry is being inappropriately protracted and pursued by the Revenue, it can bring the matter before the independent and specialist tribunal.*

9. Mr Standen considers that the balance lies in issuing the closure notice in relation to his 2015 return given:

(1) He has responded fully and promptly to the questions attached to the enquiry into his self-assessment return for the period ended 5 April 2015.

(2) HMRC's enquiry, although seemingly random, was in fact concerned with a tax scheme promoted by Optimal and as HMRC now consider that was not the case the enquiry can and should be closed.

(3) It is intolerable for the enquiry to remain open after such a long period of time and that the enquiry has been handled by a succession of officers. HMRC Officer Wren had apologised on at least two occasions for the delay.

(4) HMRC has reached conclusions about his liability and has issued determinations and decisions.

10. GSL considers that in relation to 2015 and 2016:

(1) HMRC failed to ensure that Mr Standen became aware of the enquiries into GSLs returns.

(2) HMRC failed to pursue information from Optimal.

(3) HMRC failed to tell Mr Standen that Optimal had not responded to the enquiries.

(4) HMRC has failed to deal with the enquiries on a timely basis.

(5) HMRC has reached its conclusion about:

(a) The availability of depreciation allowances in respect of intangible assets for 2015 and 2016, so only the valuation is now in dispute. HMRC has failed to produce any valuation and this issue can be determined by the Tribunal, and

(b) The liability of GSL to pay NICs and the operation of the PAYE in relation to alleged payments to Mr Standen,

(6) GSL has agreed the £55,000 payment to Mr Standen's ex-wife is not deductible and has agreed to amend the return.

(7) GSL provided sufficient information in the letter of 1 April 2017.

(8) Closure notices should now be issued for the periods ended 29 April 2015 and 2016 within 30 days of the direction by the Tribunal.

11. In relation to 2017 GSL considers that:

(1) As there is no claim for depreciation of intangibles in 2017, there is no further information to be supplied in relation to this issue.

(2) HMRC has delayed in dealing with enquiries

(3) HMRC has failed to exercise its information powers to obtain information from Optimal.

(4) HMRC do require information about the restatement of the 2017 comparable numbers in the 2018 returns. This can be provided readily by Norwoods. Any underpayment of corporation tax can be determined. GSL suggest that HMRC issue a statutory information notice requiring the information it requires, and the Tribunal should give a direction that the closure notice be issued no later than 3 months after the issue of the information notice. In this way HMRC can be certain of receiving the information required.

12. In light of the above, in this case the balance to be struck between HMRC having all possible information and needlessly protracted enquires, falls in favour of the Appellant.

13. The Appellants consider that the absence from the bundle of copies of the letters sent to the Appellants' advisors signified that the notices had never been served.

HMRC'S CONTENTIONS

14. HMRC refer to the decision of the FTT in *Pauline McWatt* [2018] UKFTT 228 (TC) at [123] to [128] where Judge Poon considers the phrase "*reasonable grounds"* for the Respondents not to issue a closure notice. Judge Poon considers the level of reasonableness is, "*not fanciful, imaginary, contrived', 'not irrational, absurd or ridiculous'* but, '*agreeable to reason*'.

15. HMRC say that their requests for information and documents satisfy these tests. Further, to require HMRC to issue closure notices prematurely can result in unnecessary expensive litigation as discussed in the Supreme Court in *TowerMCashback v Revenue & Customs Commissioners* [2011] UKSC 19 at [13].

16. HMRC consider that although they are entitled to issue estimated assessments where they are not in possession of the full facts, they are not bound to do so. "*On the contrary HMRC are entitled to the full facts related to a person's tax position so that they can make an informed decision whether and what to assess. It is clearly inappropriate and a waste of everyone's time*

if HMRC are forced to make assessments without knowledge of the full facts." See *Price* [2011] UKFTT 624 (TC) at [10]

17. HMRC have been unable to determine the correct tax position of the Appellants due to the lack of information and require the following information:

(1) In relation to Mr Standen, HMRC have concerns about the cancellation of a dividend that had already been paid of £165,000 and its replacement with a claim for amortisation relief reducing the profit of GSL to zero. Mr Standen had already included the dividend in his self-assessment return which was amended to remove the dividend. Following the introduction of amortisation relief in the GSL accounts, Mr Standen's remuneration seems to have plummeted and this raises the issue of whether the amortisation relief is the method by which the director is being remunerated. There is also the issue of the VASA which Mr Standen now admits was paid to his ex-wife as part of a divorce settlement and is a benefit of Mr Standen's.

(2) In relation to GSL, HMRC have concerns about:

(a) whether any intangibles were in fact transferred to GSL, when the transfer took place, on what terms and their valuation.

(b) The so-called reversal of the dividend and replacement with amortisation and the possibility the arrangement was being used to remunerate the director in 2013, and subsequent claims for amortisation in 2014, 2015 and 2016

(c) The inclusion of the £55,000 deduction – referred to as a VASA in the accounts, but admitted as a non-deductible payment to Mr Standen's ex-wife, raises the possibility of the inclusion of other non-deductible items

(d) The restatement of the comparative figures for 2017 in the 2018 accounts, raised serious concerns about the accuracy of the earlier returns and this concern is not confined to the claims for amortisation relief.

(e) HMRC considered that the arrangement may be part of an avoidance scheme involving both amortisation relief claims and payments referred to as VASAs, The Appellants initially denied the existence of a VASA, but one was discovered.

(3) These concerns have been formed on the back of the returns and accounts filed, and a single letter from the Appellants. HMRC has received a very limited amount of information from the Appellants. HMRC require more information as set out in the letter of 11 December 2020. To issue closure notices now would put HMRC is the same position as in *Joshy Matthew v HMRC* [2015] UKFTT 139(TC) at [197], i.e. "*Being forced to make assessments without being in possession of the full facts*", with the potential consequence that they may still not have the information they require at the end of the period specified in the closure notice, be out of time to appeal against the decision to issue the closure notice and be required to seek permission to appeal out of time. All of which will add expense and delay to the process of finalisation of the enquiry and determination of the Appellants' tax liabilities.

(4) HMRC accept there has been delay.

(5) HMRC consider that they have reasonable grounds for keeping the enquiries open.

DISCUSSION

18. As mentioned above, Section 28A(6) TMA provides that:

"The Tribunal shall give the direction applied for ***unless… satisfied that there are reasonable grounds for not issuing*** *the partial or final closure notice within a specified period." [My emphasis.]*

Para 33 of Schedule 18 to the Finance Act 1998 makes identical provision for an application to be made by a company that has filed a return and in respect of which an enquiry has been made.

12. The role of the Tribunal is to give the direction sought unless there are reasonable grounds not to do so. What is reasonable must be determined by reference to the facts of the case, the quality of information provided by the taxpayer, the ability of the officer to reach a conclusion by reference to the information provided and make any necessary amendment to a related assessment. This is confirmed by the Upper Tribunal in *Embiricos v Revenue & Customs Commissioner*s [2020] UKUT 370 at [83]. Inappropriate or hasty exercise of the power to issue a direction can result in needless and expensive litigation as was pointed out by the Supreme Court in *Tower MCashback v HMRC* [2011] UKSC 19.

13. I recognise that HMRC's enquiries have not been conducted in the most efficient manner until Mr Wren assumed conduct. There has been delay in following up enquiries on the part of HMRC due to lack of resource which is unfortunate. It is however my view that much of the blame for the delay lies with the Appellants' advisers, who:

(1) failed to forward notices of enquiry to GSL and Mr Standen;

(2) failed to answer the questions asked. The Appellants have confined their responses to HMRC's enquiries as if the questions were directed solely at the arrangement promulgated by Optimal that HMRC considered may have constituted evasion and, as if the question related only to transfers of intangible property in the year in question, and

(3) have accused HMRC of using smoke and mirrors in connection with the investigation, but have not been fulsome in their answers to enquiries themselves.

14. The Appellants say there are no documents evidencing the amendment to the agreement made in 2011 to transfer the assets of the Gearslutz.com business from Mr Standen to GSL, and the unwind of the dividend. The burden is on them to describe and explain the terms of the agreement and how it was amended after the appointment of Optimal, and provide supporting evidence such as statements of the bank accounts of the Appellants to show:

(1) the terms on which the intangible assets were transferred, including the nature of the consideration, how the consideration was paid, to whom and when it was paid, any covenants assumed to be in place to justify the valuation, and the tax consequences for Mr Standen;

(2) how the amendment to the 2011 agreement could have retrospective effect;

(3) how a dividend can be "unwound" where there appeared to be reserves to pay it at the time it was paid; and

(4) how the valuation of the intellectual property rights was arrived at and how the later offer for the business can have a bearing on the 2011 business valuation.

15. The discovery of issues with the 2017 accounts and the claim in respect of a VASA, throws into question the accuracy of the 2017 and the earlier accounts of GSL, following the appointment of Optimal.

15. The balance in this case is in favour of HMRC being allowed to continue their enquiries, to enable Mr Wren to reach a conclusion, based on information to be provided by the Appellants.

DECISION

19. I am satisfied that there are reasonable grounds for not issuing closure notices in any specified period. I dismiss the application.

RIGHT TO APPLY FOR PERMISSION TO APPEAL

20. This document contains full findings of fact and reasons for the decision. Any party dissatisfied with this decision has a right to apply for permission to appeal against it pursuant to Rule 39 of the Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules 2009. The application must be received by this Tribunal not later than 56 days after this decision is sent to that party. The parties are referred to "Guidance to accompany a Decision from the First-tier Tribunal (Tax Chamber)" which accompanies and forms part of this decision notice.

HEATHER GETHING
TRIBUNAL JUDGE

RELEASE DATE: 11 MAY 2021