



**TC07203**

*Keywords closure notices under sections 28A and 28B of the Taxes Management Act 1970 and section 32, Sch18 Finance Act 1998; and appeals against information notices issued under Schedule 36 of the Finance Act 2008; whether copies sufficient; reasonably required and reasonable grounds considered*

**FIRST-TIER TRIBUNAL  
TAX CHAMBER**

**Appeal number: TC/2018/ 04288  
TC/2019/00397  
TC/2018/07825  
TC/2018/05582  
TC/2018/05225  
TC/2018/06871  
TC/2019/00987  
TC/2019/00395  
TC/2019/00396**

**BETWEEN**

**(1) PERFECTOS PRINTING INKS CO LTD  
(2) PERFECTOS PRINTING INKS GROUP LD  
(3) DR JOHN PRICE**

**Appellants**

**-and-**

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

**Respondents**

**TRIBUNAL: JUDGE ASIF MALEK**

**Sitting in public at Taylor House 88 Rosebery Avenue, London EC1R 4QU on 29 -30 May  
2019**

**Mr. Keith Gordon, of counsel, for the Appellants**

**Mr. Philip Osborne, litigator of HM Revenue and Customs' Solicitor's Office, for the  
Respondents**

## DECISION

### INTRODUCTION

1. This case concerns applications for closure notices under sections 28A and 28B of the Taxes Management Act 1970 and section 32, Sch18 Finance Act 1998; and appeals against information notices issued under Schedule 36 of the Finance Act 2008. I use the following abbreviations throughout this judgment – PPIC Ltd to mean the First Appellant and PPIG Ltd to mean the Second Appellant.

2. The opening dates of the enquiries are as follows:

| <b>Taxpayer</b> | <b>Period under enquiry</b> | <b>Trib. Ref.</b> | <b>Opening letter</b> |
|-----------------|-----------------------------|-------------------|-----------------------|
| PPIC Ltd        | Year to 1 April 2015        | TC/2018/5582      | 28 Sept 2016          |
| PPIC Ltd        | Year to 1 April 2016        | TC/2019/396       | 14 Dec 2017           |
| PPIC Ltd        | Year to 1 April 2017        | TC/2019/396       | 8 January 2019        |
| PPIG Ltd        | Year to 1 April 2015        | TC/2018/5525      | 28 Sept 2016          |
| PPIG Ltd        | Year to 1 April 2016        | TC/2019/395       | 14 Dec 2017           |
| PPIG Ltd        | Year to 1 April 2017        | TC/2019/395       | 8 January 2019        |
| Dr Price        | Year to 5 April 2016        | TC/2018/4288      | 2 May 2017            |

3. The information notices under appeal are as follows:

| <b>Taxpayer</b> | <b>Notice date</b> | <b>Trib. Ref.</b> | <b>Subject matter</b>  | <b>Bundle</b> |
|-----------------|--------------------|-------------------|------------------------|---------------|
| PPIC Ltd        | 6/6/18             | TC/2018/6871      | Accounting documents   | A128          |
| PPIC Ltd        | 7/12/18            | TC/2019/987       | Payment for car spaces | A161          |
| Dr Price        | 12/10/18           | TC/2019/397       | Bank statements etc.   | A181          |
| Dr Price        | 5/11/18            | TC/2018/7825      | Hong Kong loan         | A144          |

4. For the purposes of the hearing the Appellants chose to produce their own bundle, but also referred to the bundle produced by the Respondent at relevant times. In addition to the documentary evidence before me I had the opportunity of hearing from witnesses.

5. The Respondents relied upon the evidence of Mr. Scott Sibbald and Ms. Lesley McArdle, both of whom were officers of HMRC in the complex evasion team. The evidence of both officers was set out in their witness statements, elaborated upon in the witness box and subject (especially in the case of Mr. Sibbald) to lengthy and detailed cross examination.

6. The Appellants relied upon the evidence of Mr. Michael Henshaw and Mr. Christopher Miller, the former a director of and the latter an employee of HSKS Greenhalgh, accountants for the Appellants. Again each produced a witness statement, gave oral evidence and was available for / subject to cross examination.

## THE LAW

7. Section 28A of the Taxes Management Act 1970 provides:

*“(4) The taxpayer 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...*

*“(6) 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.”*

8. Near identical provisions appear in paragraph 33 of Schedule 18, Finance Act 2008 in relation to corporation tax and provide:

*“(1) The company may apply to the tribunal for a direction that an officer of Revenue and Customs give a partial or final closure notice within a specified period...*

*“(3) The tribunal shall give a direction unless satisfied that an officer of Revenue and Customs has reasonable grounds for not giving a partial or final closure notice within a specified period.”*

9. Paragraph 1(1) of Schedule 36, Finance Act 2008 provides:

*“An officer of Revenue and Customs may by notice in writing require a person (“the taxpayer”)—*

*(a) to provide information, or*

*(b) to produce a document,*

*if the information or document is reasonably required by the officer for the purpose of checking the taxpayer's tax position.”*

10. In the case of closure notices the burden is on the Respondents to satisfy me, on the balance of probabilities, that there are reasonable grounds for not issuing a closure notice within a specified period. Likewise, it is for the Respondents to show, on the balance of probabilities, that the information or document(s) sought pursuant to a Schedule 36 notice are reasonably required by them for the purpose of checking the taxpayer's position.

11. I was, during the course of submissions, referred to the case of *Beneficial House (Birmingham) Regeneration LLP & Stanley Dock (All Suite) Regeneration LLP [2017] UKFT 801 (TC)*. Although this case, being a first instant decision, is only persuasive; it nonetheless sets out the law succinctly at paragraph 15 which I adopt, but for brevity do not reproduce in this judgment.

## **FACTS**

12. My finding of facts, in so far as they are relevant to my decision, are as follows:

### **Dr Price**

- (1) An enquiry into Dr Price's Income Tax Self-Assessment tax return for the year ending 5 April 2016 was opened on 2 May 2017 and information relating to property income, pension income, interest income, employment income, capital gains and financial information was sought at the same.
- (2) By letter dated 24 May 2017 Dr Price's advisors sought to understand HMRC's concerns and drew the latter's attention to their obligations in this regard. HMRC responded on 26 May 2017 saying that they were "not always able to give specific reasons".
- (3) Information was supplied on behalf of Dr Price to the Respondent on 6 June 2017 and 22 November 2017 and, thereafter, the parties engaged in extensive correspondence and exchange of information culminating in two further information notices.
- (4) By information notice dated 12 October 2018 HMRC requested Dr Price's personal bank statements and in particular:
  - (a) Copies of statements for all bank, building society, other investment or loan accounts held in the UK or abroad, in Dr Price's own name, joint name or over which he had control.
  - (b) Supporting cheque book stubs and pay in books, where these exist, for all accounts in Dr Price's own name, joint name or over which he had control.
  - (c) Copies of statements for all credit cards held in the UK or abroad, in Dr Price own name, joint name or over which he has control.
- (5) By information notice dated 5 November 2018 HMRC requested from Dr Price details regarding the beneficial loan and in particular:
  - (a) Please advise if the loan was approved by the board of Perfectos HK Ltd. If so please provide copies of board meeting notes to substantiate this.
  - (b) Please advise if beneficial loans are available to, or have been paid to, any other employees of Perfectos HK Ltd.
  - (c) Please provide copies of any documentation Dr Price has regarding this loan.
  - (d) Please provide details of how Dr Price plans on repaying this loan and what information was provided to the board of Perfectos HK Ltd to support this.
  - (e) Should the company ask for the money back at short notice, what plans, if different from above, does Dr Price have in place to pay this back?
  - (f) Please advise how Dr Price has invested the money received, if this is being held in cash, an asset or other. Please provide details of assets, amounts invested and dates of acquisition.

### **PPIC Ltd & PPIG Ltd**

- (1) PPIC Ltd.'s return for the accounting period ending 1 April 2015 was selected for enquiry "centrally" and referred to the complex evasion team. Neither HMRC officer was able to comment on the reasons why the enquiry had been opened for policy

reasons. The enquiry was opened by letter dated 28 September 2016. At the same time a “cross tax” enquiry was opened into PPIG Ltd for the same accounting period.

(2) By letter dated 4 November 2016 [tab B4] the Respondents set out the list of documents and information that they required.

(3) On 30 November 2016 PPIC Ltd.’s advisors informed the Respondents that the records requested would be available for inspection, but not retention.

(4) On 29 March 2017 the complete financial nominal ledger of PPIC for period ending 1 April 2015 was provided to the Respondents by memory stick; which was only successfully uploaded on 25 April 2017.

(5) Additional information in response to questions by the Respondents was provided by PPIC Ltd on 10 March 2017 and 26 May 2017.

(6) The parties agreed that Mrs. Bushby (of the Respondents) would attend the office of the Appellant’s advisor to inspect the remaining records on 24 July 2017, and then on 21 August 2017. She duly did and took copies of some bank statements. The parties are at odds as to whether she had any authority to do so. I do not need to make any further findings on this point for the purposes of this decision.

(7) By letter dated 14 December 2017 the Respondents gave notice of their intention to inspect the records set out in the schedule at the business premises under Paragraph 12(2)(a) of Schedule 36 on 30 January 2018.

(8) On 8 January 2018 and 16 January 2018 the Appellants’ advisor wrote to the Respondents [tab B29] in order to appeal the notice of 14 December 2017 and set out their opposition to the Respondents’ attendance at the Appellant’s premises.

(9) On 30 January 2018 four HMRC officers attended premises from which PPIC Ltd operated and, were, ultimately unable to inspect any documents that day. The Appellant was well within its rights to refuse entry to its premises – be it on health and safety or any other grounds. Likewise, I should also add that I do not find that there was any improper conduct on the part of Mr. Sibbald and his colleagues in visiting the premises.

(10) The parties then arranged for the Respondents to inspect documents at the Appellant’s advisors office between 1-3 May 2018. This was duly done and HMRC identified over 400 documents for photocopying. HMRC were advised by letter dated 22 May 2018 that these documents were ready for collection from the Appellant’s advisor’s office. These documents have neither been collected nor sent to HMRC.

(11)By information notice dated 6 June 2018 addressed to PPIC Ltd, HMRC sought accounting records as set out in the schedule to be found at pages A128-129 of the bundle. The document list is essentially a repeat of the list attached to the 14 December 2017 notice, but with the word “original” inserted in front of most requests.

(12)By further information notice dated 7 December 2018 addressed to Perfectos Printing Inks Co Ltd HMRC sought details regarding the car parking spaces and in particular:

- (a) Please provide a full list of all company assets stored at the parking spaces rented from Dr Price in APE 01 April 2016.
- (b) Please advise what the car parking spaces rented from Dr Price are used for, to include, if they are available for company employees, directors or visitors. Please advise if they are used for deliveries.

- (c) Please advise if people travel by foot or vehicle when moving between the Perfectos company premises and the car park spaces rented from Dr Price?
- (d) Please advise what car parking, if any, is available at the Company premises and how a decision is made as to which vehicle will use which car park.
- (e) Please advise who made the decision that Perfectos Printing Inks Company would rent these parking spaces from Dr Price.
- (f) Please advise of the other parking options, if any, the Company considered before leasing these parking spaces from Dr Price.

(13) Further enquiries were opened into the tax returns of PPIC Ltd and PPIG Ltd for accounting periods ending on 1 April 2016 and 2017, but no specific requests for information have been made relating to these later periods.

#### DISCUSSION

13. Before dealing with each of the Appellants in turn I should like to make two remarks of general applicability in these proceedings. Firstly, these appeals very clearly highlight the balance that must be struck between giving the Respondents sufficient latitude in relation to their information and enquiry powers so as to allow them to properly do their jobs and the taxpayer's right to finality and privacy. What would have been helpful for me in coming to this decision is to have been given an understanding of HMRC's reasons for opening the enquiries in the first place. I can well understand HMRC's concerns not to put into the public domain methodology or sources which rely upon a degree of confidentiality for their effectiveness; but I find myself groping for the underlying reasons which would have informed my view on the reasonableness.

14. Secondly, the events leading up to these appeals have resulted in a degree of scepticism and wariness on both sides. This seems to have fed on its self in a vicious circle – with the Appellants viewing each new request for information with suspicion and with HMRC seeking yet more assurance and information when confronted with apparent reticence.

15. It is with this backdrop in mind that I approach my decision.

#### **Dr Price**

##### ***Notices to produce information dated 12 October 2018 & 5 November 2018***

16. Mrs. McArdle's desire to see Mr. Prices personal bank statements and obtain details about the beneficial loan arose out of one of the two main risks she identifies in her witness statement dated 7 May 2019:

*“Payment received from Perfectos HK. Dr Price received a payment of UK £711,618 from Perfectos HK a Hong Kong based company in which he is a director and controlling shareholder. Perfectos HK is a subsidiary of the UK based Perfectos Printing Inks. This loan is not subject to interest and is repayable on demand (demand of the company from which Dr Price is a controlling director). HMRC are investigating if this loan will be caught under the s455 Corporation Tax Act 2010 legislation as a loan to a participator or if this is a distribution of profits”*

17. The point made on behalf of Dr Price in relation to this was that this was an enquiry opened for the purpose of checking Dr Price's tax position for the relevant year. No tax liability would accrue to Dr Price under s. 455 of the Corporation Tax Act 2010 and as such an investigation into this aspect by HMRC for the purposes of an enquiry into Dr Price's tax affairs is misconceived. Whilst there is some merit in this argument I do not see that HMRC have

confined themselves to this point alone. HMRC also seek to argue that the loan may be a distribution of profit and / or falls foul of the disguised remuneration legislation under Part 7A of the ITEPA 2003.

18. In paragraph 13 and 14 of her statement Ms. McArdle further explains her reasons for wanting to see Dr Price's personal bank statements and details regarding the beneficial loan. The reasons given are, essentially, that the statements will allow HMRC to confirm how the money received from Perfectos HK has been invested and to identify any income that resulted from such investment, confirm the exact amounts of the money received and to establish the true nature of the payment to Dr Price.

19. It was established before me during cross examination that Dr Price had provided copies of his personal bank statements, but that Ms. McArdle felt that these were insufficient. When asked to identify the insufficiencies she said that she had not been provided with the paying in books, some items on the statements appeared to have been obscure, the balances and expenditure items had been redacted and that one day (6 April) appeared to be missing. Ms. McArdle accepted that Dr Price's means were not necessarily in question, that the obscured items could have been as a result of highlighting, and that on first view it looked like no interest had been paid on the money received by Dr Price during the relevant period. She maintained that she needed to see copies of un-redacted bank statements and the paying in books before she could carry out a final analysis.

20. The test that is to be applied is whether or not the items sought are "reasonably required" for the purpose of checking the tax payer's tax position. It was submitted by counsel for the Appellants that the dividing line as to what was reasonably required when it came to the provision of personal bank statements, as demonstrated in other relevant decisions<sup>1</sup>, lay between those cases where the officer could show a reason to suspect under-assessment and those where the officer was simply on a "fishing expedition". This proposition was not challenged by the Respondents and I found it to be a helpful summation.

21. In the present case I cannot see why the Respondents require to know what Dr Price chooses to spend his money on given that the latter's means are not in issue. I have taken the opportunity to look at the relevant bank statements and I can see that what is said to be obscured is clearly the result of highlighting – a common practice in identifying items that might be relevant to a tax return. It was conceded on Mr. Price's behalf that the bank statements for one day (6 April) may have been inadvertently left out. I do not think that this omission was deliberate or material – and it may in fact be the case that there were no transactions on that day.

22. No reason to suspect that Dr Price may have under-assessed his tax liability was put before me. The best that could be said by Ms. McArdle was that she did not feel that she had completed her checks. It follows, therefore, that I do not agree that the Respondents reasonably required un-redacted bank statements to complete the check.

23. With regards to the further information requested about the beneficial loan; again, I have to agree with Dr Price. One must remember that information or documents must be in the possession or control of the person from whom the request is being made. Prima facie, Perfectos HK is a separate legal entity and questions about how it chooses to record the transaction are questions for its board and not Dr Price. In my judgement Dr Price has answered the questions directed at him and provided the information sought to the extent that he is obliged to do (i.e. to the extent that it was reasonably required to check his tax position).

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<sup>1</sup> *Taylor v Bratherton (Inspector of Taxes) (2004) SpC 448, Sherchan v HMRC [2016] UKFTT 134 (TC), Smith v HMRC [2015] UKFTT 200 (TC), Afsar v HMRC (2006) SpC 544.*

### ***Closure notice***

24. The enquiry into Dr Price's tax position commenced on 2 May 2017. This means that it has now been extant for over two years. There has been no complaint that there has been delay on the part of Dr Price or his advisors in providing information. There is to my mind no further outstanding information. Although this enquiry is being carried out by the complex avoidance unit the Respondents did not give details about the amount of tax that might be at stake or the reasons why this was a particularly complex investigation. Given what I say above and the volume of information already provided I am of the view that a reasonable officer can at least make an informed judgement of the matter (per *Eclipse Film Partners* at [19]) based upon the information to hand.

25. It follows, therefore, that I direct that the Respondents issue a closure notice in respect of the enquiry into Dr Price's affairs. They should do so within 30 days of the date of this decision.

### **PPIC Ltd**

#### ***Notice to produce information dated 6 June 2018 (accounting records)***

26. At paragraph 35 of his witness statement dated 3 October 2018 Mr. Sibbald deals with documents in categories 1-24. He says that he needs to see the originals and that the originals have never been provided to him. In addition he did not believe that some documents had even been provided to him in copy format.

27. During the course of cross examination Mr. Sibbald was asked why he needed to see the original documents. He explained that this was because he had not been able to carry out an inspection visit at the site (which might have included speaking to staff and downloading documents), had only been able to inspect the documents at the accountant's office and even then not permitted to take copies straight away. He further said that, in relation to the bank statements, he wanted to see the originals because the copies were illegible and there were manuscript entries. When it came to cheque book stubs he felt that looking at these would give him comfort so that he could see, for example, if a pen or handwriting had changed. He also felt that there had been a reticence on the part of PPIC Ltd or its advisors to provide documents and that inclined him to seek originals.

28. It became clear that when it came to electronic records (e.g. original invoices when there was an electronic invoicing system) what Mr. Sibbald had in mind, when he referred to "originals", was meta data. Unfortunately, as was accepted by Mr. Sibbald, this could only be implied and had not been expressly stated on the notice.

29. When one stands back and looks at what is being argued here by the Respondents, it is that copies of documents provided by the taxpayer or its advisor cannot be trusted for their accuracy or veracity. That is to say that these copies were either badly copied (i.e. ineligible or partly ineligible) or that they had been deliberately tampered with. With regards to the former, whilst I take judicial notice of the fact that copies of documents can sometimes be faint, obscured or parts simply missed, I was not taken to any document that this particularly applied to. With regards to the latter I think the starting point, both for this Tribunal and HMRC, is to treat the taxpayer as honest unless there is good reason to the contrary [page 2 tab A3 refers]. There was nothing put before me which would lead me to form the conclusion that PPIC Ltd, its officers or advisors were not acting honestly. Perceived reticence is not enough. Often such perceived reticence may (as was likely in this case) be the product of a well advised taxpayer insisting on its strict legal rights and unintentional miscommunication between the parties (and I cite the flawed visit of 30 January 2018 as an example of such) or indeed a genuine different



interpretation of the legal requirements. In so far as documents 1-24 are concerned, I am not satisfied that the Respondent reasonably requires originals of these. However, I am satisfied that copies of these documents are required and given that they are apparently ready to dispatch I can see no reason why they should not be delivered to the Respondent within 14 days of the date of this decision to a place and in manner that the Respondent requires.

30. With regards to item 25 the notice requires PPIC Ltd to provide a “*copy of the defamation claim made per the invoice from Browne Jacobson LLP dated 28/08/2014*”. The answer provided on behalf of PPIC Ltd is set out in a letter dated 12 October 2018 [tab B32] and, in my judgment, is a comprehensive response. There is, accordingly, no need for PPIC Ltd to respond further to this item.

31. At item 26 the Respondents ask for health and safety assessments for PPIC Ltd.’s premises at Normanton Lane. The reason given for this by Mr. Sibbald is that because the Respondents may wish to carry out a further site visit then all the appropriate health and safety considerations can be taken into account. I cannot see how such information or documents can be reasonably required to check PPIC Ltd.’s tax position. To the extent that it might be argued that the documents are required to enable a visit (which might result in information that might reasonably be required to check the taxpayer’s tax position); that, to my mind, is a step too far.

32. Item 27 of the information notice seeks information relating to the intellectual property transferred between PPIC Ltd and PPIG Ltd. Mr. Henshaw says at paragraph 3.67 of his statement that this information is subject to a separate appeal TC/2018/2937. Mr. Sibbald says that:

“...the appellant has stated that the requested items are relating to the transfer of intellectual property are subject to appeal in respect of a VAT matter. I do not believe that the documents are information requested are subject to or have relevance to the VAT appeal and I believe they are reasonably required to check the company’s tax position”

33. Mr. Gordon, in his skeleton argument, says that item 27 relates to an ongoing appeal and therefore is exempt from being produced and cited paragraph 19 of the Upper Tribunal decision in *Distinctive Care Ltd v HMRC [2018] UKUT 155 (TCC)* as authority for this proposition. Paragraph 19 reads:

“In any event, the FTT found that it was not in fact unreasonable for HMRC to have issued the information notice: see [61] of the FTT’s decision”.

34. Paragraph 61 of the FTT’s decision is equally unhelpful as Tribunal Judge Mosedale simply concludes that it was not unreasonable for HMRC to issue the information notice in any event and so the application for costs would have failed on this ground too.

35. However, paragraph 19(1) of Schedule 36 provides that an information notice does not require a person to provide or produce—

“(a) ...information that relates to the conduct of a pending appeal relating to tax or any part of a document containing such information...”

36. In my judgment a document that 'relates to the conduct of a pending tax appeal' is a document that has been brought into existence as part of the preparation for the presentation of a tax appeal. It does not cover information or documents which may be used in presenting the appeal, for example as evidence, but which existed before the appeal process began. The requested documents and information (details of specific patents, designs and database rights at the date of sale and copies of all royalty and license fee agreements) are all historic in nature and will not have been produced for the purposed of preparing for and presenting the appeal. Accordingly, in my judgment, item 27 is reasonably required.

***Notice to produce information dated 7 December 2018 (car parking spaces)***

37. The information request pertaining to car parking spaces is addressed to PPIC Ltd, but I note that the information is requested because HMRC:

“does not believe that the rents being charged are at market value, HMRC concerns [*sic*] is that Dr Price is receiving a higher level of rent from Perfectos than he would from a third party because he is the controlling director of this company” [par 6 of the statement of Ms. McArdle dated 7 May 2019]

38. In her statement dated 4 September 2018 Ms McArdle says at paragraph 16:

“...Perfectos pay Dr Price £18,975 per annum, my opinion is that £3,680 is the value that would be paid in an arm’s length transaction, this is based on research on parking prices in the locality, review of Perfectos’ basis of value and a Valuation Office Agency report...”

39. Accordingly, it seems to me to be clear that, whatever the Respondents view was on the rent paid for the parking spaces, it had enough information to substitute its own assessment, if it thought appropriate. This so despite the fact that Ms. McArdle says that she can’t come to a decision because the valuation was not conclusive. Unfortunately, it is ever the way with valuations – there is a large degree of subjectivity involved and the passage of time is unlikely to help matters.

40. Further, it became apparent during the course of the hearing that it was possible to narrow some of the issues between the parties in relation to the parking space point. I allowed time for this to happen. The Respondents’ underlying concern was with whether the parking spaces were simply being used by Dr Price and his family members personally and not for the benefit of PPIC Ltd. The only outstanding matter left was for PPIC Ltd to provide a schedule of the vehicles that used the parking space over the relevant period. To the extent that HMRC require any other information I am of the view that it is not reasonably required.

***Closure Notice***

41. As set out in the introduction to this decision three enquiries into the tax affairs of PPIC Ltd remain open. The earliest was opened on 28 September 2016 and, therefore, just short of three years has elapsed. I can see no basis to find that there had been undue delay on the part of PPIC Ltd in providing requested information. I am also mindful of the volume of information that has been requested. The later enquiries appear to have been opened with a view to preserving HMRC’s position as I was not directed to any requests for information specifically relating to these later periods. Contrary to the position that Dr Price finds himself in; I have found, as set out above, that HMRC did reasonably require some of the information sought from PPIC Ltd. Again, although these enquiries are being carried out by the complex avoidance unit the Respondent did not give details about the amount of tax that might be at stake or the reasons why this was a particularly complex investigation.

42. Taking the above factors into account, and bearing in mind Lord Walkers comments in *R & C Commrs v Tower MCashback LLP 1 [2011] BTC 294*, I am of the view that the Respondents should now be directed to issue closure notices. However, given that I have indicated that HMRC reasonably require some of the information requested and there must be time for the Respondents to examine this information once provided, it is reasonable for HMRC to continue with their enquiries for a period of six months from the date of this decision. I, accordingly, direct that the Respondents’ issue closure notices within six months. For the avoidance of doubt this applies to all three enquiries.

## **PPIG Ltd**

43. Whilst accepting that there is some force in Mr. Gordon's submissions that there appears to be no outstanding information requests in respect of PPIG Ltd and, therefore, there is no justification for keeping open the enquiries into its tax affairs, I am mindful that I have held that HMRC reasonably required item 27 of the information notice dated 6 June 2018. Item 27, of course, refers to a transaction between PPIG Ltd and PPIC Ltd. Given my direction that the Respondent should provide closure notices in respect of the enquiries into PPIC Ltd within six months I see no reason why I should not make the same direction in respect of the enquiries into PPIG Ltd. I do so.

### **SUMMARY AND CONCLUSIONS**

44. I find and direct as follows:

- (a) The information notices dated 12 October 2018 and 5 November 2018 directed at Dr Price have been complied with and to the extent it is argued that further information is required I hold that it is not reasonably required.
- (b) I direct that the Respondents issue a closure notice to Dr Price in respect of the enquiry into his return, within 30 days of the date of this decision.
- (c) The information notices dated 6 June 2018 and 7 December 2018 directed at PPIC Ltd identify some information / documents that are reasonably required by the Respondents and have not yet been provided to them, as more fully set out in the body of this decision. These should be provided at the earliest opportunity.
- (d) I direct that the Respondents issue a closure notice to PPIC Ltd in respect of the enquires identified in this appeal, within six months of the date of this decision.
- (e) I direct that the Respondents issue a closure notice to PPIG Ltd in respect of the enquires identified in this appeal, within six months of the date of this decision.

### **RIGHT TO APPLY FOR PERMISSION TO APPEAL**

45. 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.

**ASIF MALEK  
TRIBUNAL JUDGE**

**Release date: 14 June 2019**