

HMRC dawn raids



What you should do – A step-by-step guide to managing an HM Revenue & Customs dawn raid

Contact our 24hr dawn raid hotline on +44 7545 100373

- Who** – Identify the HMRC officers in attendance and ask whether their team leader will speak to your solicitor on the telephone.
- What** – Request to see a copy of the search warrant (you should be presented with a copy in any event). This document contains critical information about the powers of the HMRC team and the scope of the search. Immediately send a copy of the warrant to your solicitor.
- How** – Discuss and understand how the HMRC team intend to conduct the search ie what are they looking for and how do they plan to find it.
- When** – Ask that the search is not commenced until your solicitor can attend at the premises. This request may be refused by HMRC. If the HMRC officers insist on beginning their search it is critical that you do not physically obstruct them. However, you should state that in commencing the search without your solicitor being present they are ignoring your reasonable request (particularly if you have given a firm timescale for when your solicitor will arrive).
- Response** – You should assemble an internal team to respond to the raid. You should allocate one member of staff to “shadow” each HMRC officer. The purpose of each “shadow” is to monitor the search undertaken, make a note of all questions asked/answered and take a copy of all documents examined, copied or removed by the HMRC officer they are following. Other members of the internal team might include your IT representative and administrative support.
- If HMRC agree to postpone the search, they should be kept in the reception area of your business and be accompanied by a member of staff at all times.

ANY COMMENTS OR QUERIES?

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During the search

- Bear in mind that the HMRC officers are there to examine, copy or remove documents. They are not permitted to interview you or any member of your staff. Accordingly, HMRC should not be asking questions that go beyond issues relating to the search and the location of the documents sought. Consult with your solicitor where there is any doubt.
- All members of the internal team should keep a note of the questions asked by HMRC and the answers provided.
- The HMRC officers must not be physically obstructed and you or any member of staff must make no attempt to destroy or conceal documents.
- The “shadow” team should monitor the search undertaken by each of the HMRC officers and raise a flag if it appears that their search may be going beyond the scope of the warrant or they want to copy or remove legally privileged material. Documents subject to legal professional privilege are outside the scope of the warrant.
- If HMRC disagree with the classification of a document, it should be placed in a sealed envelope for determination at a later date.
- HMRC do have the power to seize material that is outside the scope of their warrant, including legally privileged material, where it is not reasonably practicable to determine on the premises

whether the material is within the scope of the warrant or contains any such material. HMRC generally use this power to image (copy) computer hard drives, which might take several weeks to filter for privileged and irrelevant documents.

Conclusion of the search

- Obtain a copy of any HMRC notes taken during the raid and copies of all documents examined, copied or removed by HMRC.
- Compile and check the internal team’s notes of the questions asked by HMRC and the responses provided.
- Ask whether HMRC plan to return to the premises and, if so, agree on the arrangements for such a visit.

Following the raid

- Review all of the documents and information provided to HMRC. Ensure that any incorrect information provided to HMRC is rectified as soon as possible.
- Consider setting up an internal investigation team to audit the relevant area of business.
- Refrain from generating unnecessary documents which may be disclosable to HMRC at a later date. Make sure that any internal investigation is appropriately protected by legal professional privilege.

Key points

- Immediately telephone our 24 hour dawn raid hotline.
- Check the terms of the search warrant and send a copy to your solicitor as soon as possible.
- Request postponement of the search pending attendance of your solicitor.
- Do not obstruct the search or attempt to destroy or conceal any material.
- Do answer questions relating to the search but do not answer questions that go beyond this or allow the officers to “interview” you or your members of staff without first consulting with your solicitor.
- “Shadow” each member of the search team.
- Keep a record of all documents and information provided to HMRC during the search.
- If in doubt seek legal advice.

For information about our services, including advice on preparing a raid response strategy, please contact us.

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