

already been used successfully by many people in the UK. Those who are fully eligible to participate in the LDF are entitled to the following key benefits:

- Under the LDF, the 'look back' period for undeclared tax of any sort goes back only to **April 1999** (as opposed to the usual period of 20 years, or for an unlimited period in relation to inheritance tax) - therefore no tax is payable in respect of any liabilities arising before 1999;
- Taxpayers are given the **option** either to:
 - apply a single **composite rate** of tax at **40%** (up to April 2009); or
 - calculate **actual liability** using applicable annual tax rates and allowances
- A maximum **fixed penalty of just 10%** will be charged on unpaid taxes up to April 2009 (as opposed to the usual starting penalty of 150%). A slightly higher penalty will be applied in respect of tax years after April 2009, generally 20%.
- An **assurance against criminal prosecution** for tax offences in cases of full and accurate disclosure;
- **no public "naming and shaming"** in *The Gazette* and on HMRC's website.⁵²⁹

Taxpayers who are prevented from utilising the LDF are effectively limited to those who (1) have already been notified by HMRC that they are under investigation by HMRC or (2) do not have relevant property in Liechtenstein at the time of applying for registration under the LDF. It is therefore important that you maintain your relationship with us in Liechtenstein and that you do not delay any decision to utilise the LDF.

It should be noted that *all* outstanding UK tax liabilities are eligible to be declared via the LDF, and will attract the benefits of the LDF, not just those in relation to the relevant property in Liechtenstein. **This effectively means that all undeclared assets, income or gains worldwide can be regularised on the same extremely favourable terms.**

We are not in a position to advise you and/or the Persons with an Interest about the total charge that is likely to be applied by utilising the LDF. However, experience to date suggests that an average total

⁵²⁹ The 'naming and shaming' policy was implemented by section 94 of the *Finance Act 2009* with effect from 1 April 2010 and applies to all cases of deliberate tax default of £25,000 or more