



A GUIDE TO PUTTING YOUR TAX AFFAIRS RIGHT

Inland Revenue has increased its focus on identifying cases of tax evasion. If you've made a mistake or filed an incorrect tax return, it's best to tell us about it rather than it be identified by an audit of your tax affairs.

This guide is intended for company and business taxpayers. It advises you on how to tell us what is currently wrong about your tax affairs. If you tell us about your tax problems, the penalties (if any) will be much smaller than if you wait for us to find out ourselves.

Your Tax Obligations

As a company or business persons, you have an obligation to manage your own tax affairs and pay tax according to the requirements of the law. For you to do this, you must be aware of your basic tax obligations.

You must:

- file a return or make a self-assessment and file a return on the dates they are due
- correctly determine the amount of tax you have to pay (unless you don't have to file a return)
- when required, deduct or withhold the correct amounts of tax from payments or receipts
- pay tax on time
- keep all necessary information (including books and records) and maintain all necessary accounts or balances
- disclose to commissioner in a timely and useful way all information (including books and records)
- cooperate with the Commissioner in a way that assists the exercise of the Commissioner's powers
- comply with all other specific tax obligations.

Some examples of not meeting your obligations are:

- putting false information in a tax return or knowingly leaving income out of it.
- not deducting PAYE or deducting it and not paying it to the Commissioner.

Meeting your Tax Obligations

Inland Revenue is keen to help people meet their tax obligations. We have a number of guides available and our website www.ird.gov.sb provides valuable information for you. You can also talk to our Tax Education Team by phone on 21493 or by visiting our office.

To check that people and businesses are meeting their obligations Inland Revenue conducts audits and investigations. Our **Guide to Audits** has more information about audits and how they work.

For further information on your tax obligations, you can check our **Guide on Taxpayer's Obligation**.

Tax evaders who Commissioner identify, can expect to be prosecuted and have substantial monetary penalties imposed against them.

Tell us (Inland Revenue) what is wrong

Oversights and mistakes like addition errors in returns can be corrected simply by advising or contacting us.

In other cases, you can tell us what is wrong by making a voluntary disclosure.

A voluntary disclosure is when you tell us what is wrong with your tax affairs before we begin an audit. A voluntary disclosure may involve such things as:

- Not being registered in the tax system
- Returns not filed
- Income omitted from a tax return
- Incorrectly claimed expenses
- Withholding tax on withholding payments not paid
- Goods and Sales tax not paid

Why make a voluntary disclosure?

If you make a voluntary disclosure that is full and complete, you will not be prosecuted in respect of the matter.

You will still be required to pay any outstanding taxes resulting from the disclosure. Favourable consideration will be made to a request for a payment arrangement.

Where applicable, late payment penalties and late filing fees may be remitted. The imposition of additional penalty taxes will be considered on a case by case basis.

How to make a voluntary disclosure?

You can make a voluntary disclosure by completing and signing the form on the back of this guide. Send or bring the form into the Inland Revenue offices. We will want to discuss the disclosure with you.

If you don't have all the information needed to work out your taxes, you can still make a voluntary disclosure. Tell us as much as you can and state that there is more information to come.

You can also get help with your voluntary disclosure from an accountant or other qualified person.

When to make a voluntary disclosure?

You can make a voluntary disclosure:

- At any time before being notified of a pending tax audit or investigation (pre-notification disclosure), or
- After you have been notified of a tax audit or investigation but before it begins (Post – notification disclosure).

Voluntary Disclosure

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