



General information about compliance checks into excise matters

We've given you this factsheet because we've started a compliance check. This factsheet contains important information. Please take the time to read it and keep it safe – you may need to refer to it during the check.

This factsheet is one of a series. For the full list of factsheets in the series, go to www.gov.uk and search for 'Compliance checks factsheets'.

What is an excise compliance check

We carry out checks to make sure that all matters relating to Excise Duty are correct. We call these 'compliance checks'. These checks may include:

- visiting your business premises to inspect goods and documents relating to excise matters
- visiting your business premises to ask for information about excise goods or activities that you provide, or intend to provide
- visiting your business premises to check that you are complying with the terms of any excise approval, registration, authorisation or license that you may hold
- contacting you to ask for information or documents about excise goods, activities, or any excise related approval, registration, authorisation or license

What happens during an excise compliance check

We'll always tell you what we are checking. We may ask you to give us information or documents that we need. If you're not sure why we are asking for something, please tell us and we'll explain why.

If you can't do what we ask, or if you think that something we've asked for is unreasonable or not relevant to the check, please tell us. We'll consider your reasons carefully and if we still think we need it, we'll tell you why.

If we visit you, you must allow us entry to your business premises. If we're visiting your business premises, the officer dealing with the check may issue a copy of factsheet CC/FS16, 'Excise visit' which explains about our visits. We'll normally only visit you at home if you run your business from there or excise goods are stored there.

If you have a tax adviser, you can ask us to deal directly with them during the check – unless doing so would delay us carrying out our check.

If you have any questions at any stage of our check, please tell the officer dealing with the check.

What if you need more time to do something we've asked you to do

If you need more time to do something we've asked you to do, please tell us. If we think it's reasonable to do so, we'll allow you more time. You can also ask us to postpone the check if you have a good reason, for example, if you're seriously ill or someone close to you has died.

The benefits of helping us with a check

Helping us with our check can have benefits for you. It will allow us to complete the check as quickly as possible and reduce any inconvenience that it may cause you. We may not find anything wrong. But if there's something wrong, helping us with our check will also reduce the amount of any penalty we may charge. If we do find something wrong we'll work with you to put it right. We'll also tell you about any additional Excise Duty that's due, and about any penalty that we may charge.

You can reduce the amount of any penalty by giving us assistance throughout our check. We call this assistance the 'quality of disclosure' or 'telling, helping and giving'.

We measure the quality of disclosure by considering how much:

- you tell us about what is wrong
- help you give us to work out what is wrong
- access you give us to your records

It may affect our view on the quality of disclosure, and the amount by which we reduce any penalty if either of the following apply:

- we ask you for information or documents and you do not provide these when we ask for them
- you obstruct our inspection

How to qualify for the maximum penalty reduction if something is wrong

If you know or suspect that there's something wrong, you must:

- tell us everything you know about what is wrong as soon as we tell you that we've started a check
- work with us to calculate the right amount of duty

If we've found something wrong that you didn't know about, you must:

- have given us as much assistance as we needed up to that point
- tell the officer dealing with the check everything about it, as soon as we tell you that there's something wrong, let them see any additional records they need and help them to work out the right amount of duty

We'll reduce the penalty by the maximum amount possible if we agree that you've done everything you could to assist us.

When we work out the quality of disclosure, we'll take into account how long it has taken for you to tell us about the inaccuracy. If you've taken a significant period (normally 3 years) to correct or disclose the inaccuracy, we'll normally restrict the amount of reduction given for disclosure.

We'll restrict the penalty range by 10 percentage points above the minimum to reflect the time taken, before working out the reductions for telling, helping and giving.

You can find more information about penalties and penalty reductions in our penalty factsheets. Go to www.gov.uk and search for 'Compliance checks factsheets'.

In some circumstances we can publish the details of people who have deliberately got their tax affairs wrong, as well as charging them a penalty. We can't publish their details if they qualify for the maximum penalty reduction. You can find more information about this below.

What happens if something is wrong

If something is wrong, we'll explain why and work with you to put it right. Where relevant, we'll also tell you how to prevent it happening again. We may also extend the scope of our check.

If we believe that the correct amount of Excise Duty hasn't been paid we can send you a demand for the duty due. Where there are goods that we believe haven't had the correct amount of Excise Duty paid on them, we may seize the goods, or items connected with them.

If you have an excise approval, registration, authorisation or license, we may impose additional conditions or restrictions, or revoke them and in serious cases of non-compliance we have the right to revoke any approvals granted by us. You may also have to pay a penalty.

About the penalties that we may charge

You may have to pay a penalty if you have:

- supplied certain excise products knowing that they will be used in a way that results in an additional amount of duty being due
- used certain excise products for a purpose that results in an additional amount of duty being due (this is called 'misuse')
- handled goods on which there is unpaid Excise Duty and where that duty has not been deferred in agreement with us – handling goods includes
 - acquiring possession of them

- being involved in the carrying, removing, depositing or keeping of them
- otherwise dealing with them
- failed to register for an Excise Duty on time
- sent us an inaccurate return or document

What happens if you've deliberately done something wrong

We may carry out a criminal investigation with a view to prosecution if you:

- give us information that you know to be untrue, whether verbally or in a document
- dishonestly misrepresent your liability to tax or claim payments to which you are not entitled

Managing Serious Defaulters

If you've deliberately got your tax affairs wrong, we may need to monitor your tax affairs more closely. We have an enhanced monitoring programme called Managing Serious Defaulters. You can find more information about this in factsheet CC/FS14, 'Managing Serious Defaulters'. Go to www.gov.uk and search for 'CC/FS14'.

Publishing details of deliberate defaulters

In certain circumstances, we may publish your details if you've deliberately got your tax affairs wrong. We can't publish your details if you qualify for the maximum penalty reduction. You can find more information in factsheet CC/FS13, 'Publishing details of deliberate defaulters'. Go to www.gov.uk and search for 'CC/FS13'.

What happens at the end of a check

We'll finish our check by sending you one or more 'decision notices'. A decision notice can be:

- an assessment or amendment to an assessment
- a penalty notice if a penalty is due
- a letter setting out what the final position is

What if you can't pay what you owe

If you think you may have problems paying, please tell the officer dealing with the check.

What to do if you disagree

If you disagree with anything during the check please tell the officer dealing with the check what you disagree with and why.

You can appeal against most of the decisions that we make. We'll write and tell you when we make a decision that you can appeal against. We'll also explain the decision and tell you what to do if you disagree.

You can find more about this in factsheet HMRC1 HM Revenue and Customs decisions – what to do if you disagree. Go to www.gov.uk and search for 'HMRC1'.

Your principal rights and obligations

You have:

- the right to be represented – you can appoint anyone to act on your behalf, this includes professional advisers, friends and relatives, but we won't delay carrying out our check while you seek professional advice
- the right to consult an adviser – we'll allow a reasonable amount of time for you to do so, but what is reasonable will depend on the circumstances

- an obligation to take care to get things right - if you have an adviser, you must still take reasonable care to make sure that any returns, documents or details they send us on your behalf are correct
- an obligation to allow us to carry out an inspection and provide the information required

'Your Charter' explains what you can expect from us and what we expect from you. For more information, go to www.gov.uk/hmrc/your-charter

Your rights when we're considering penalties

If there's something wrong and we are considering penalties, we'll tell you. The European Convention on Human Rights gives you certain rights when we're considering penalties. You can find full details about these rights in factsheet CC/FS9, 'The Human Rights Act and penalties'. Go to www.gov.uk and search for 'CC/FS9'.

Authorising a representative

You can authorise someone to deal with us on your behalf. This includes professional tax advisers, friends or relatives. They can deal with us just for a compliance check, or more permanently for your day-to-day tax affairs. If you want to authorise a professional tax adviser, they will be able to give you a form to complete and send to us. If you want to authorise someone other than a professional tax adviser, you'll need to write to tell us who you want to authorise and what you want them to deal with for you.

This factsheet relates to compliance checks into any of the following:

Air Passenger Duty

General Betting Duty

Alcohol Liquor Duties

Hydrocarbon Oils Duty

Amusement Machine Licence Duty

Lottery Duty

Bingo Duty

Machine Games Duty

Excise Duties (Holding and Movements)

Pool Betting Duty

Gaming Duty

Remote Gaming Duty

Tobacco Products Duty

More information

Customers with particular needs

If there's anything about your health or personal circumstances that may make it difficult for you to deal with this check, please tell the officer that is carrying out the check. Telling them will mean that they can help you in the most appropriate way. For more details go to www.gov.uk/dealing-hmrc-additional-needs

Don't stop sending returns or making payments. During a compliance check, please carry on sending returns and making payments when they are due.

What if you are unhappy with our service

If you are unhappy with our service, please tell the person or office you have been dealing with. They will try to put things right. If you're still unhappy, they will tell you how to complain.