



NASDAL supports straight thinking on tax schemes

Promoters of aggressive tax avoidance schemes have been marketing to dentists inappropriately according to the National Association of Specialist Dental Accountants and Lawyers (NASDAL). Nick Ledingham, Chairman of NASDAL, said he is concerned at some of the claims made. "In many instances dentists are sold schemes which are clearly unsuitable."

He added: "The vast majority of dentists pay exactly the right amount of tax and are not interested in schemes which, because they are designed to shelter income from tax, could be challenged by HM Revenue and Customs."

Furthermore, said Nick, salesmen for the more exotic schemes use high pressure techniques in order to earn significant commissions when they recruit investors. As controversy around tax schemes and the comedian Jimmy Carr unfolded in the media, Nick was relieved to get a text from a grateful dentist thanking him for advising him **against** a tax planning scheme.

Willie Mackenzie, a NASDAL member and accountant from Surrey, commented: "Most dentists don't want to get involved in schemes of this kind. It involves additional stress and uncertainty over a period of several years – something that most of us could do without."

He explained: "A tax scheme has to be reported upfront to HMRC so there is no question of it going unnoticed. Should dentists get involved in an aggressive tax avoidance scheme they should be aware that even though it may be perfectly legal, HM Revenue and Customs will attack it as they deem such schemes to be abusive and a raid on public funds. The danger is that many dentists undertake such schemes without being fully conversant with the risks, having been seduced by the sweet siren sounds of the scheme promoters."

Willie added: "Much of the torrent of press comment has been incorrect and there is undoubtedly an element of spin. We are after all, talking about morality not legality. What is certain is that things will never be the same again."

Last year, at the request of the Government, Graham Aaronson QC published a report on General Anti-Abuse Rule (GAAR). The Government accepts his recommendation that a rule targeted at artificial and abusive tax avoidance schemes would improve the UK's ability to tackle tax avoidance. Its formal consultation was launched on June 12th.

Alan Suggett, a member of the NASDAL technical committee and the media officer, said: "These schemes inevitably involve uncertainty about tax liabilities over a prolonged number of years. Even if an individual considers a scheme morally acceptable, would they be prepared to put aside a sum equivalent to the tax saved, and make provision for interest and possible penalties, in case the scheme is successfully challenged? Unless someone can do this, they shouldn't enter into a scheme."

Editors notes

NASDA (the National Association of Specialist Dental Accountants) was established in 1998 to safeguard standards in dental accounting and business advice for dentists. In 2009 a Lawyers Group was formed and then, because specialists accountants and solicitors were working ever more closely together, the lawyers merged with the accountants to form NASDAL in 2011.

For more information, please contact Caroline Holland on 020 8679 9595/07974 731 396