



October 14, 2026

HM Revenue and Customs
Worldwide Disclosure Facility
[HMRC address as directed by the Digital Disclosure Service]

Re: Unprompted disclosure under the Worldwide Disclosure Facility, tax years 2016/17 to 2024/25, [taxpayer name], [UTR] / [National Insurance number], disclosure reference number [DRN]

Dear Sir or Madam,

1. Identification and route

We act for [taxpayer name] of [address], Bristol, under the authority enclosed. His Unique Taxpayer Reference is [UTR] and his National Insurance number is [National Insurance number]; his date of birth is [date of birth]. This disclosure is made on his behalf through the Worldwide Disclosure Facility under disclosure reference number [DRN], notification having been given through the Digital Disclosure Service on [date of notification].

The Worldwide Disclosure Facility is the correct route because the liabilities disclosed relate to income arising from a source outside the United Kingdom, namely letting income from a flat in Alicante, Spain, and to an asset held outside the United Kingdom, namely a savings account in Jersey (gov.uk: Make a disclosure using the Worldwide Disclosure Facility).

In accepting the terms of the facility our client undertakes to make a full disclosure of all previously undisclosed UK tax liabilities, to calculate interest and penalties under existing legislation, to self-assess his behaviour for each year and to provide any further information you ask for so that you can check the accuracy and completeness of the disclosure (gov.uk: Make a disclosure using the Worldwide Disclosure Facility).

We confirm that his onshore entries, the pension income and dividends returned each year, have been reviewed and we have identified nothing further to disclose in respect of them; if that review discloses anything on completion of the document checks described below, we will tell you at once.

This disclosure is submitted within the 90 day period that runs from notification (gov.uk: Make a disclosure using the Worldwide Disclosure Facility). All figures in section 4 are this firm's computation for HMRC to check, and the arithmetic is shown so that each figure can be followed.

2. Unprompted disclosure, years covered and the time limit relied on

This is an unprompted disclosure. Our client has had no contact from HMRC about the Spanish letting income or the Jersey account, and at the date of this letter he has no reason to believe that HMRC have discovered or are about to discover the inaccuracies in his returns. No enquiry into any return is open so far as he or this firm is aware.

The disclosure covers the tax years 2016/17 to 2024/25. The operative assessing limit is not the six year limit for a careless loss of tax but the offshore limit: lost income tax on income arising from a source in a territory outside the United Kingdom involves an offshore matter and may be assessed at any time not more than 12 years after the end of the year of assessment to which the lost tax relates (Taxes Management Act 1970, s 36A).

Both sources are offshore matters on that test, the rent arising from a source in Spain and the interest from a source in Jersey, and the 12 year limit applies on its own terms for 2015/16 onwards without any need for careless or deliberate behaviour (Taxes Management Act 1970, s 36A). Every year from 2016/17 to 2024/25 therefore falls within 12 years of the end of the year of assessment and is included.

We draw to your attention that the Jersey account was opened in 2014 and the Spanish letting began in May 2016, so interest for 2014/15 and 2015/16, and letting income for 2015/16 if any arose, may also fall within the 12 year period (Taxes Management Act 1970, s 36A). We are obtaining the bank statements for those earlier years and will submit a supplementary schedule within the disclosure period if liabilities arise, so that the disclosure is full.

Our client has filed a return for each year in question, so the failure to notify provisions are not in point; the inaccuracies are inaccuracies in returns that were delivered.

3. What was not declared, how it arose, and our client's account of his behaviour

Our client inherited a holiday flat in Alicante in 2015 and has let it through a Spanish agency since May 2016. Letting a property outside the United Kingdom in this way is a business carried on for generating income from land outside the United Kingdom, so it is an overseas property business and its profits are chargeable to income tax, the charge arising because the business is carried on by a UK resident (Income Tax (Trading and Other Income) Act 2005, s 265).

Gross rents have been about £8,000 a year and the agency's charges, local taxes and repairs about £3,000 a year, giving a net profit of about £5,000 a year. None of that profit has appeared on his UK Self Assessment returns.

He has also held a savings account in Jersey since 2014, which has paid interest of about £1,200 a year. Interest arising to a UK resident is chargeable to income tax whether or not it is from a source in the United Kingdom (Income Tax (Trading and Other Income) Act 2005, s 368), so that interest was chargeable in each year and should have been returned. It has never appeared on his returns.

Our client's own account of how this arose is as follows, and he asks us to state it plainly. He believed that the Spanish non resident income tax of about £950 a year that he pays each year in Spain settled the matter for the flat, and that a Jersey account was outside the UK system and so had nothing to do with his UK return. He did not look into either belief, did not ask this firm or any other adviser about the overseas sources, and did not mention them when his returns were prepared.

He accepts that a person in his position should have checked, and he self-assesses his behaviour as careless, that is a failure to take reasonable care, rather than deliberate; he did not set out to conceal anything, the Spanish income has been declared and taxed in Spain throughout, and the Jersey account has always been held in his own name at a mainstream bank.

We recognise that HMRC form their own view of behaviour and that an inaccuracy is not to be assumed careless merely because a disclosure is made.

We also recognise that the failure to correct provisions are engaged for the offshore non compliance that existed at the end of the 2016/17 tax year and was not corrected between 6 April 2017 and 30 September 2018, because a penalty is payable by a person who has relevant offshore tax non compliance to correct at the end of the tax year 2016-17 and fails to correct it in that window (Finance (No. 2) Act 2017, Sch 18 para 1).

Our client did not correct the position in that window, so we have not proposed the ordinary careless rate for the non compliance arising on or before 5 April 2017; the figures in section 4 reflect that. The precise years caught by that Schedule turn on Conditions B and C and on the relevant date, which we are checking, and we will adjust the schedule if more than one year is caught.

4. Computation by tax year (this firm's computation, for HMRC to check)

Each year is computed on the same basis. The overseas property profit is gross rent of about £8,000 less allowable costs of about £3,000, giving £5,000, allowable costs being deductible so far as they are revenue in nature and incurred wholly and exclusively for the business (Income Tax (Trading and Other Income) Act 2005, s 265). UK tax on that profit at the 40% marginal rate is $£5,000 \times 40\% = £2,000$.

Jersey interest of £1,200 is reduced by the £500 savings allowance available to a higher rate taxpayer with no additional rate income, so $£1,200 \text{ less } £500 = £700$ is charged at 40%, giving £280 (Income Tax (Trading and Other Income) Act 2005, s 368). UK tax before credit is therefore $£2,000 + £280 = £2,280$.

Credit is then taken for the Spanish non resident income tax of about £950. Credit for foreign tax on income from a particular source must not exceed the difference between the income tax payable for the year excluding that income and the income tax payable including it (Taxation (International and Other Provisions) Act 2010, s 36). On a 40% marginal rate and a profit of £5,000 that ceiling is of the order of £2,000, which exceeds £950, so the Spanish tax appears creditable in full for each year. Net UK tax for each year is therefore $£2,280 \text{ less } £950 = £1,330$.

Tax year	Undeclared income (£)	UK tax before credit (£)	Credit for Spanish tax (£)	Net tax due (£)	Late payment interest to 14 October 2026 (£)	Penalty basis and percentage proposed	Penalty (£)	Total (£)
2016/17	6,200	2,280	950	1,330	[interest 2016/17]	Failure to correct, 200% reduced to the stated minimum of 100%	1,330	2,660 plus interest
2017/18	6,200	2,280	950	1,330	[interest 2017/18]	Careless in accuracy, unprompted, reduced to 0%	0	1,330 plus interest
2018/19	6,200	2,280	950	1,330	[interest 2018/19]	Careless in accuracy, unprompted, reduced to 0%	0	1,330 plus interest

2019/20	6,200	2,280	950	1,330	[interest 2019/20]	Careless in accuracy, unprompted, reduced to 0%	0	1,330 plus interest
2020/21	6,200	2,280	950	1,330	[interest 2020/21]	Careless in accuracy, unprompted, reduced to 0%	0	1,330 plus interest
2021/22	6,200	2,280	950	1,330	[interest 2021/22]	Careless in accuracy, unprompted, reduced to 0%	0	1,330 plus interest
2022/23	6,200	2,280	950	1,330	[interest 2022/23]	Careless in accuracy, unprompted, reduced to 0%	0	1,330 plus interest
2023/24	6,200	2,280	950	1,330	[interest 2023/24]	Careless in accuracy, unprompted, reduced to 0%	0	1,330 plus interest
2024/25	6,200	2,280	950	1,330	[interest 2024/25]	Careless in accuracy, unprompted, reduced to 0%	0	1,330 plus interest
Totals	55,800	20,520	8,550	11,970	[total interest]		1,330	13,300 plus interest

The arithmetic in the totals row is as follows: undeclared income $9 \times £6,200 = £55,800$; UK tax before credit $9 \times £2,280 = £20,520$; Spanish credit $9 \times £950 = £8,550$; net tax $£20,520$ less $£8,550 = £11,970$; penalty $£1,330$ for 2016/17 and nil proposed for the other eight years; tax and penalty together $£11,970 + £1,330 = £13,300$, plus interest. The undeclared income figure of $£6,200$ for each year is the $£5,000$ net property profit plus the $£1,200$ of interest.

Interest has been left as a placeholder in the table because the retrieved legislation does not state a rate. Late payment interest runs on each year's unpaid tax at the late payment interest rate from the date that amount became due and payable until the date of payment, so the earliest years carry much the longest interest period (Finance Act 2009, s 101).

We will insert the amounts computed at HMRC's published late payment interest rates for each period, running to the date of payment, and we note that interest is not payable on late payment interest itself (Finance Act 2009, s 101).

As to the penalty percentages proposed, for the eight years from 2017/18 the inaccuracy was careless. Where a careless inaccuracy involving an offshore matter is disclosed unprompted, the standard percentage must be reduced to reflect the quality of the disclosure and the minimum for each of the 30%, 37.5%, 45% and 60% standard percentages is 0% (Finance Act 2007, Sch 24 para 10A).

We therefore propose 0% for those years, on the basis set out in section 5, while recognising that 0% is a floor and not an entitlement and that HMRC's guidance restricts the reduction where a person has taken a significant period, normally over three years, to correct offshore non compliance (Finance Act 2007, Sch 24 para 10A).

The territory category applicable to Spain and to Jersey for each year, which fixes whether the standard percentage is 30%, 45% or 60%, is a matter we will confirm; it does not change the proposed outcome because the unprompted minimum is 0% for each of those standard percentages (Finance Act 2007, Sch 24 para 10A).

For 2016/17 the penalty is computed under the failure to correct provisions, the penalty being 200% of the offshore potential lost revenue attributable to the uncorrected non compliance and reducible under Part 2 of that Schedule (Finance (No. 2) Act 2017, Sch 18 para 1). HMRC's guidance states that the reduced penalty cannot go below 100% unless special circumstances apply, so we have proposed 100% of the £1,330 potential lost revenue for that year, that is £1,330 (Finance (No. 2) Act 2017, Sch 18 para 1).

We reserve our client's position on reasonable excuse and on special circumstances, and will make any such representations separately once the documents at section 7 are complete. On the figures shown the potential lost revenue for each year is well below the £25,000 per year threshold HMRC gives for the asset based penalty, and no assets have been moved between territories (Finance (No. 2) Act 2017, Sch 18 para 1).

5. Quality of the disclosure: telling, helping and giving access

Telling. Our client has told HMRC about both sources of income before any contact from HMRC and before he had any reason to believe HMRC had discovered or were about to discover the inaccuracies, which is the test for an unprompted disclosure (Finance Act 2007, Sch 24 para 10A).

He has told you what was not declared, for which years, how much it was, how it came about and what he believed at the time, in his own words at section 3, and he has admitted that the inaccuracies were careless rather than the product of advice. He instructed this firm within [number] weeks of first doubting his position and notified HMRC through the Digital Disclosure Service on [date of notification].

Helping. Our client has quantified the liabilities himself rather than leaving HMRC to do so. He has obtained the Spanish agency's annual statements, his Spanish tax receipts and the Jersey bank statements for the years available, has recomputed the letting profits to UK rules, and has funded the fees for that work. For a careless offshore inaccuracy the quality of disclosure is measured by telling, helping and giving access, no further information being required (Finance Act 2007, Sch 24 para 10A).

He will answer any further question you raise and will supply any further information you ask for so that you can check the accuracy and completeness of the disclosure (gov.uk: Make a disclosure using the Worldwide Disclosure Facility).

Giving access. Our client authorises us to give HMRC access to all records relating to the Alicante flat and the Jersey account, including the original agency statements, the Spanish tax documents and the bank statements, and has asked the Spanish agency and the Jersey bank for any years not yet in his hands. He makes no claim

to withhold anything.

We acknowledge that HMRC's guidance restricts the full reduction where correction has taken a significant period, normally over three years, and we do not ask you to disregard that; we ask you to weigh against it that the disclosure is unprompted, that the computation has been done in full, that nothing has been concealed and that the Spanish income has been declared and taxed in Spain throughout (Finance Act 2007, Sch 24 para 10A).

6. Payment

Our client is able to pay in full and does not ask for time to pay. Payment of £13,300, being tax of £11,970 and the penalty of £1,330, together with late payment interest calculated to the date of payment, will be made by [method] quoting disclosure reference number [DRN] on [date of payment], or on such date as you direct if an amount different from our computation is agreed.

Late payment interest continues to run on each year's tax until it is paid, so payment in full at the earliest date stops interest running from that date (Finance Act 2009, s 101). If HMRC's figures differ from ours, we ask you to tell us the difference and the basis for it so that any balance can be paid promptly.

7. Documents enclosed

Enclosures

1. Form 64-8 authorising this firm to act for [taxpayer name], [UTR]
2. Schedule of computations for 2016/17 to 2024/25 showing the arithmetic in section 4
3. Spanish letting agency annual statements for [years available]
4. Spanish non resident income tax returns and payment receipts for [years available]
5. Jersey bank statements showing interest credited for [years available]
6. Copies of the UK Self Assessment returns filed for 2016/17 to 2024/25
7. Title documents for the Alicante flat and the 2015 grant of representation
8. Schedule of items still being obtained, listed in our notes below

8. Declaration

[Declaration to be signed by the taxpayer in the terms required by the Worldwide Disclosure Facility, confirming that the disclosure is correct and complete to the best of his knowledge and belief, that it includes all previously undisclosed UK tax liabilities, and that he accepts the terms of the facility: signature, full name and date.]

We confirm that this letter is submitted in our capacity as authorised representative and that our client has approved its contents. Please address correspondence to the writer, quoting disclosure reference number [DRN].

For the firm before sending (remove this section)

Positions that did not pass the citation gate, positions to confirm, and facts the filing still needs:

- Needed: The taxpayer's National Insurance number, [UTR], date of birth and current address for the notification and disclosure record.
- Needed: The disclosure reference number and the date of notification through the Digital Disclosure Service, which fix the 90 day period.

- Needed: Confirmation that no enquiry is open and that no earlier disclosure or settlement following an in depth enquiry covers the same period, and that no letter about money or assets held abroad has been received.
- Needed: The actual rent, expenses, Spanish tax paid and Jersey interest for each separate year; the figures in the table are the approximations given to us and must be replaced with the real figures for each year, including the part year from May 2016 in 2016/17.
- Needed: The split of the £3,000 of annual costs between agency fees, local taxes and repairs, and whether any repair was capital in nature, since capital expenditure is not deductible.
- Needed: Whether the flat was ever occupied privately in any year, which would require apportionment, and the days let or available to let, which bears on whether the furnished holiday letting rules were in point for any year.
- Needed: The currency and exchange basis used for the Spanish figures, and whether the accounts were drawn on the cash basis or under generally accepted accounting practice for each year from 2017/18.
- Needed: Total income for each year, which is needed for the two comparative computations that cap the credit for Spanish tax, and confirmation that no income was taxed at the additional rate in any year (which would remove the £500 savings allowance).
- Needed: Whether the claim for credit for the Spanish tax remains in time for the earlier years, and whether effect can instead be given to the relief in the assessment itself; we will confirm this before the credit shown is relied on.
- Needed: Whether the Jersey account is held jointly and whether any Jersey tax was withheld.
- Needed: Interest on the Jersey account for 2014/15 and 2015/16, and any letting income for 2015/16, which may fall within the 12 year offshore assessing period.
- Needed: The due and payable date for each year's liability and the intended payment date, which fix the start and end of each interest period, and the published late payment interest rates for those periods.
- Needed: Which tax years fall within the failure to correct provisions, which depends on Conditions B and C and on the relevant date in that Schedule, and the terms of the reasonable excuse provision, which were not before us.
- Needed: The territory category applicable to Spain and to Jersey for each year for the purposes of the standard penalty percentage.

Yours faithfully,

[Name], [Credential]

Authorities cited in this letter

gov.uk: Make a disclosure using the Worldwide Disclosure Facility

• PROCEDURAL

HMRC guidance page

"You must: be eligible; make a full disclosure of all previously undisclosed UK tax liabilities; calculate interest and penalties based on the existing legislation."

HMRC Compliance Handbook CH123260 HMRC manual

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

HMRC Compliance Handbook CH401291 HMRC manual

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Taxes Management Act 1970, s 36A Statute

• VERIFIED

"An assessment on a person ("the taxpayer") may be made at any time not more than 12 years after the end of the year of assessment to which the lost tax relates. This is subject to section 36(1A) above and any other provision of the Taxes Acts allowing a longer period."

HMRC Compliance Handbook CH56100 HMRC manual

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

HMRC Self Assessment: the legal framework SALF411 HMRC manual

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Finance Act 2007, Sch 24 para 10A Statute

• VERIFIED

"But the standard percentage may not be reduced to a percentage that is below the minimum shown for it... (b) in the case of an unprompted disclosure, in column 3 of the Table. | 30% | 15% | 0% | 45% | 22.5% | 0% | 60% | 30% | 0%"

Finance Act 2007, Sch 24 para 4 Statute

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Finance Act 2007, Sch 24 para 9 Statute

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Finance (No. 2) Act 2017, Sch 18 para 1 Statute

• VERIFIED

"A penalty is payable by a person who, (a) has any relevant offshore tax non-compliance to correct at the end of the tax year 2016-17, and (b) fails to correct the relevant offshore tax non-compliance within the period beginning with 6 April 2017 and ending with 30 September 2018."

Finance (No. 2) Act 2017, Sch 18 para 14 Statute

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

HMRC Compliance Handbook CH123050 HMRC manual

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Finance Act 2009, s 101 Statute

• VERIFIED

"An amount to which this section applies carries interest at the late payment interest rate from the late payment interest start date until the date of payment."

HMRC Compliance Handbook CH140280 HMRC manual

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

HMRC Debt Management and Banking Manual DMBM401010

HMRC manual

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Income Tax (Trading and Other Income) Act 2005, s 265 Statute

• VERIFIED

"A person's overseas property business consists of, (a) every business which the person carries on for generating income from land outside the United Kingdom, and (b) every transaction which the person enters into for that purpose otherwise than in the course of such a business."

HMRC Property Income Manual PIM4702 HMRC manual

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Income Tax (Trading and Other Income) Act 2005, s 272 Statute

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Taxation (International and Other Provisions) Act 2010, s 36 Statute

• VERIFIED

"The amount of credit in respect of income from any particular source must not exceed the difference between, (a) the amount of income tax to which the person would be liable for the tax year if the person were charged to income tax on, TI, X, and (b)... TI, (X + C)."

Taxation (International and Other Provisions) Act 2010, s 18 Statute

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

HMRC International Manual INTM163010 HMRC manual

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Income Tax (Trading and Other Income) Act 2005, s 368 Statute

• VERIFIED

"Income arising to a UK resident is chargeable to tax under this Part whether or not it is from a source in the United Kingdom."

Income Tax (Trading and Other Income) Act 2005, s 369 Statute

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Income Tax Act 2007, s 12B Statute

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Draft prepared for the signing professional's review. Verify every fact and figure, complete the placeholders, attach the enclosures listed, and remove the section headed "For the firm" before filing.