

# HMRC Compliance: CRS Discrepancy Approach

**Neesha Bagla & Max Kettley**

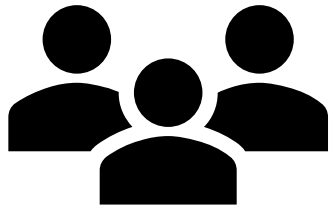


HM Revenue  
& Customs

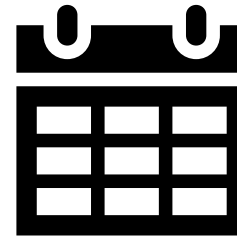
Customer  
Compliance Group



# HMRC Offshore Compliance Projects



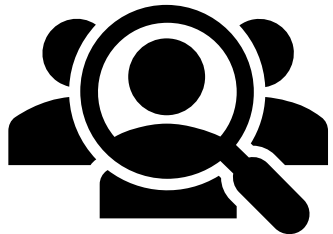
Broad Scope



Regular

Or

Or



Targeted



Bespoke

# CRS Discrepancy Project



Uses CRS and FATCA on an **annual basis**.



Compares offshore income to tax returns.

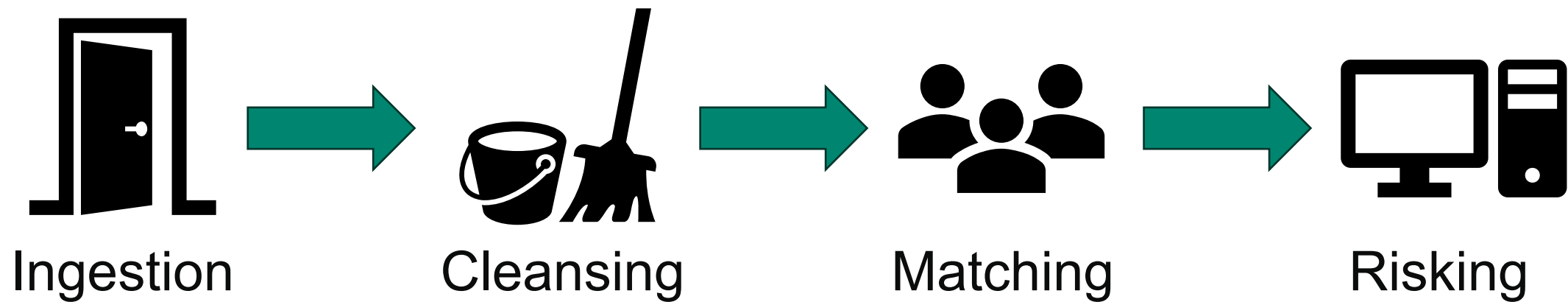


Reviews the offshore income for **every individual** reported.



Selects appropriate compliance activity based on tax risk.

# CRS Data Processing



# CRS Data Matching

Automated and manual matching processes are used to link CRS data to internal systems.

We build a match confidence score based on criteria such as:

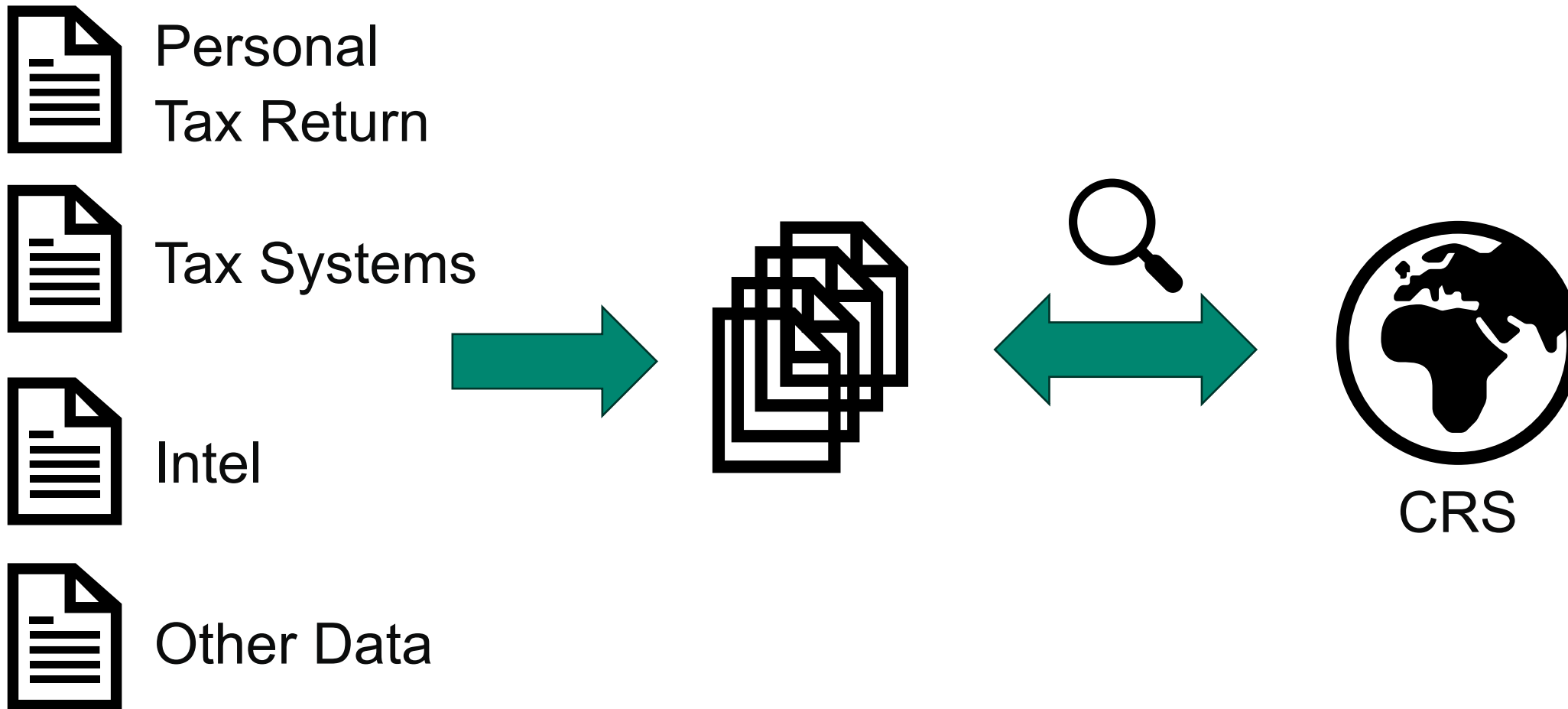
Address      Surname      Forename      DOB & TIN



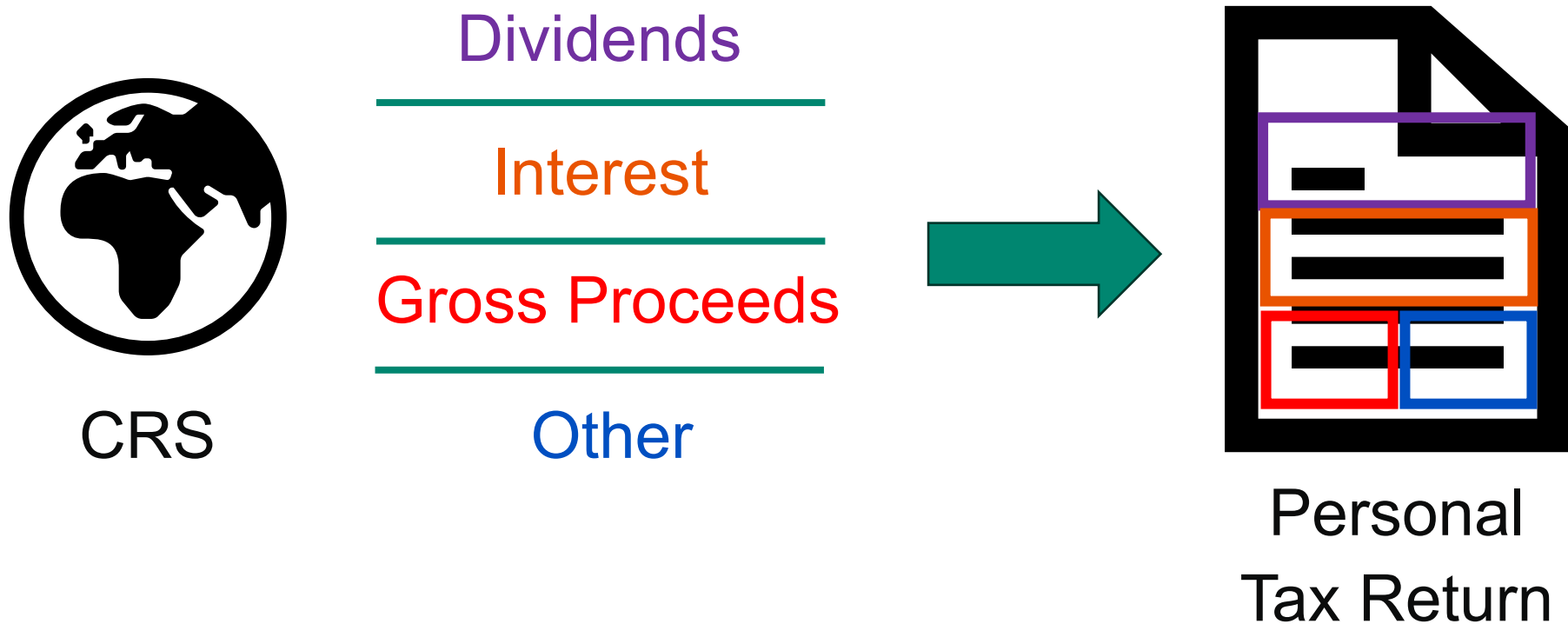
**Matching Confidence**

Unmatched individuals are traced as potential “Ghosts”.

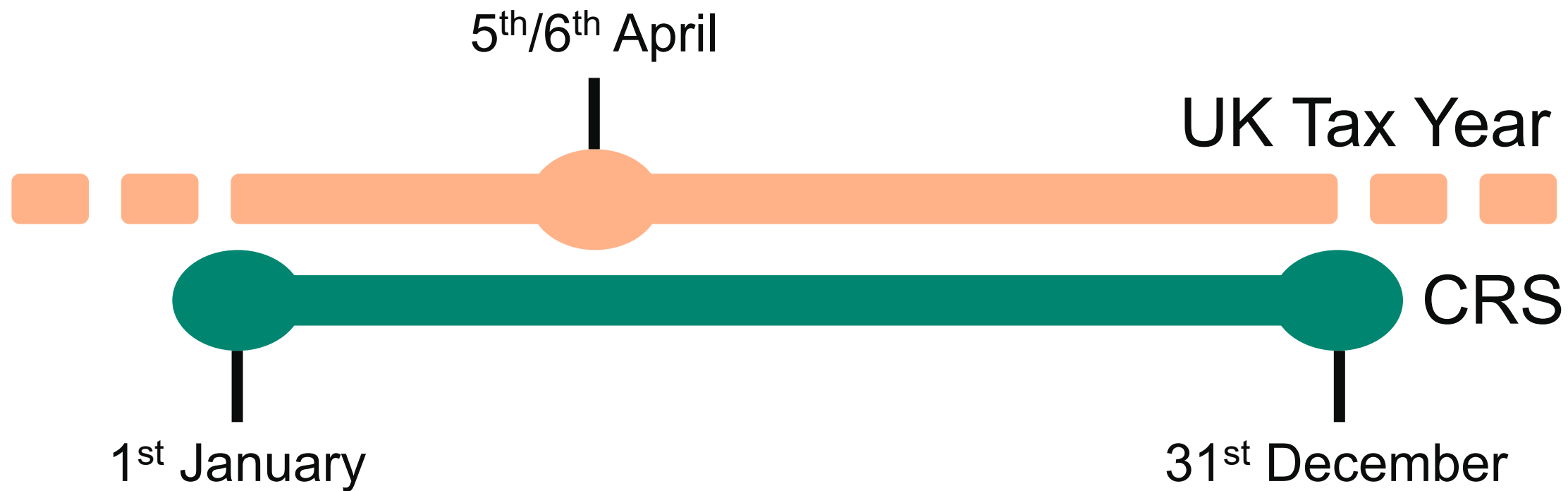
# Comparing HMRC Data to CRS



# Comparing Returns and Income Types

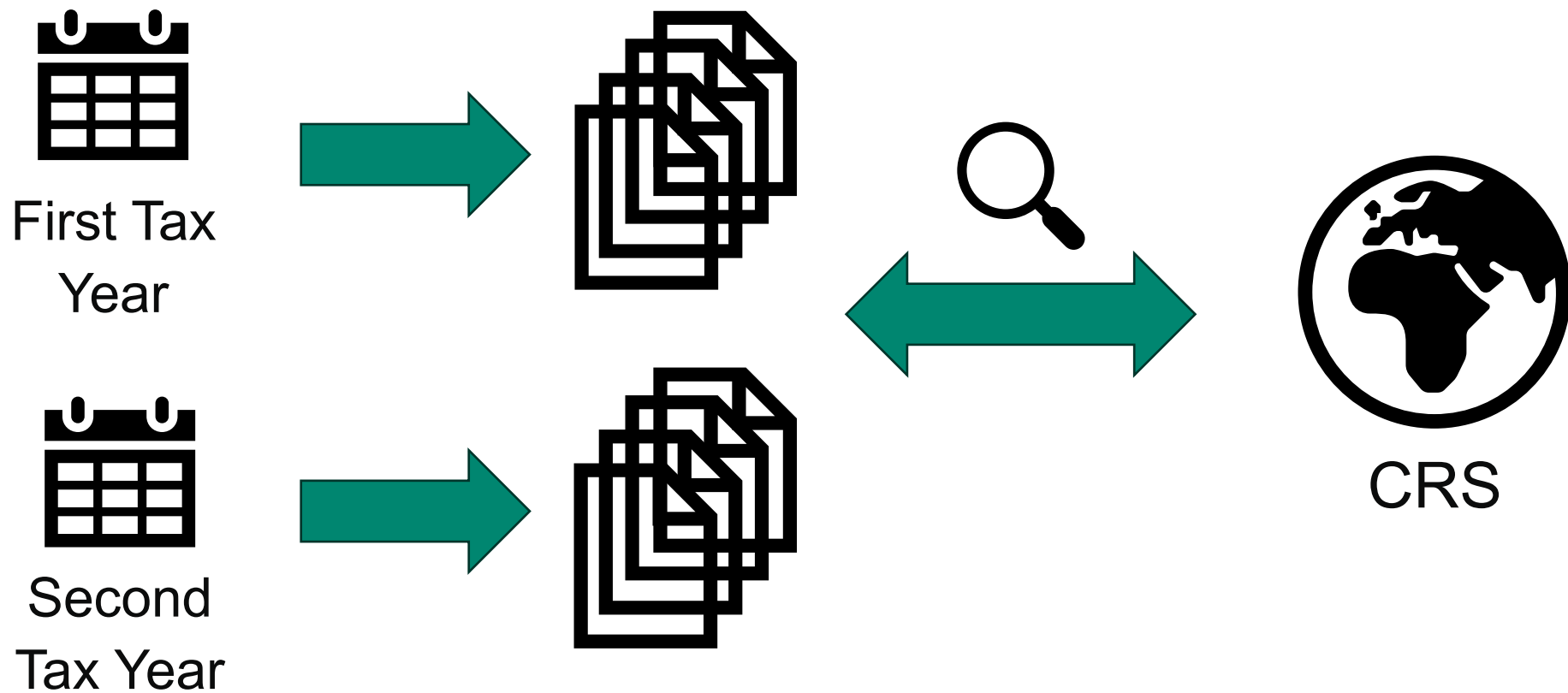


# Reporting Year Alignment

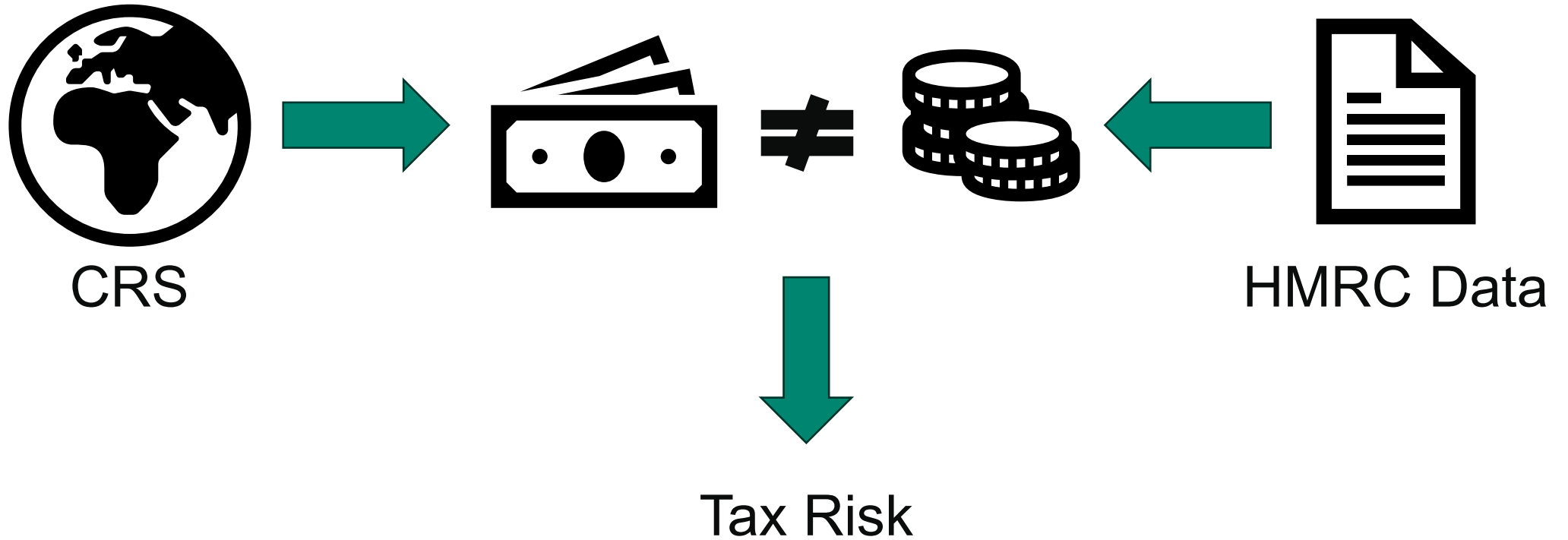




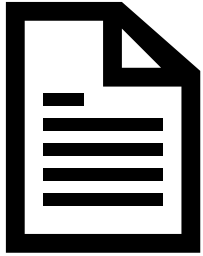
# Multi-Year Comparison



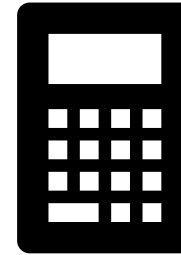
# Tax Risk



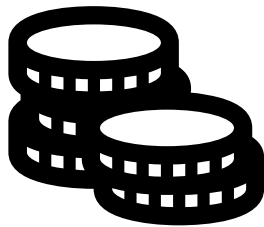
# Considerations for Tax Risk



Declared Income



Tax Allowances



Offshore Tax Paid



Payment Type/s

# Individual Compliance Factors

When targeting individuals for potential compliance activity HMRC considers a range of factors, such as:



Age



Deceased



Non-Residents /  
Non-Domiciled



Prior Compliance  
Activity



Extra Support  
Required

# Segmenting the Population

## Lower Tax Risk



### Nudge-based Campaign

Covers much of the population.  
Focuses on educating taxpayers.  
Enclosed certificate for responses.

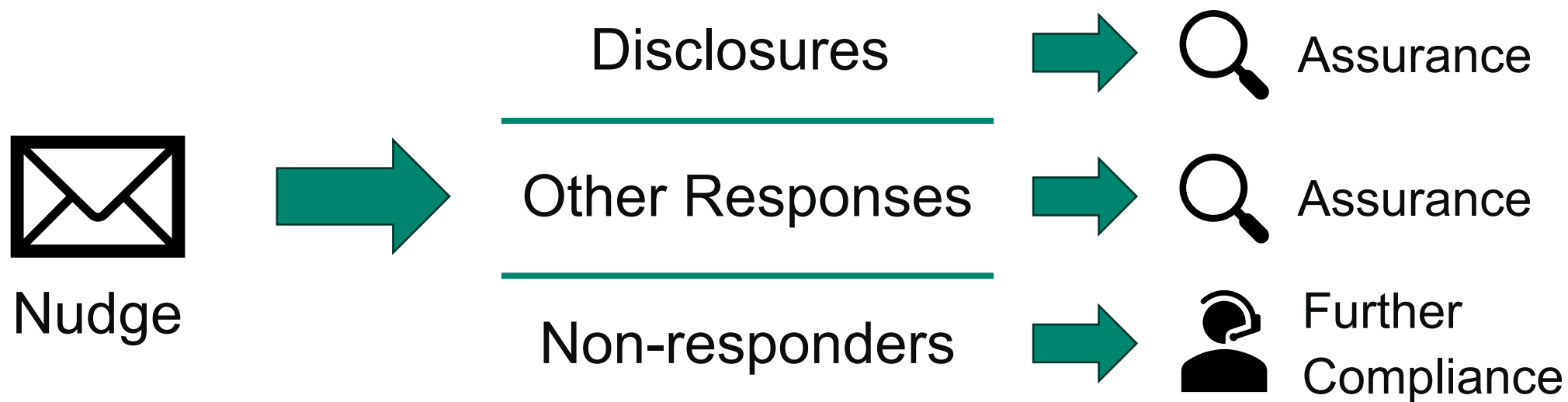
## Higher Tax Risk



### Enquiries

Enquiries opened by caseworkers.  
Full review of risks.

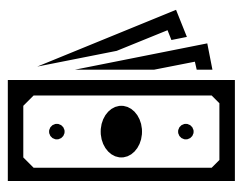
# Nudge-based Activity



# CRS Discrepancy Results



~20,000 letters sent to customers in 24/25 which brought in £80.1 million in compliance yield.



We have secured £1 billion in compliance yield from AEOI agreements since 16/17.



Change of behaviour for contacted taxpayers.



Further education on offshore income for taxpayers.

**Thank you for listening.**