

# HMRC Compliance: CRS Discrepancy Approach

**Neesha Bagla & Max Kettley**

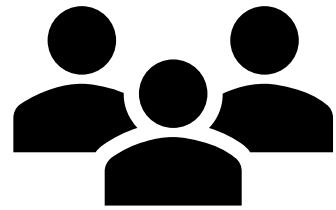


**HM Revenue  
& Customs**

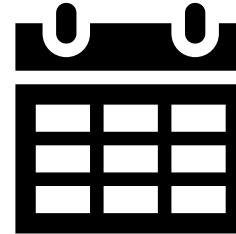
**Customer  
Compliance Group**



# HMRC Offshore Compliance Projects

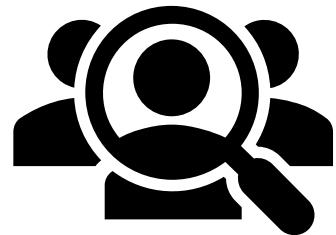


Broad Scope



Regular

Or



Targeted



Bespoke

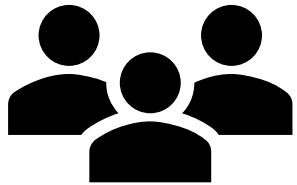
# CRS Discrepancy Project



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



Compares offshore  
income to tax returns.

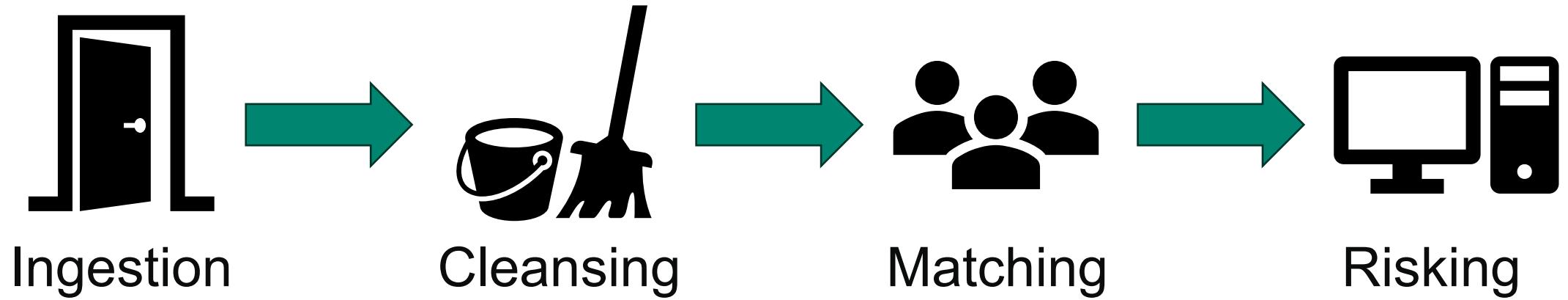


Reviews the offshore  
income for **every  
individual** reported.



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



Personal  
Tax Return



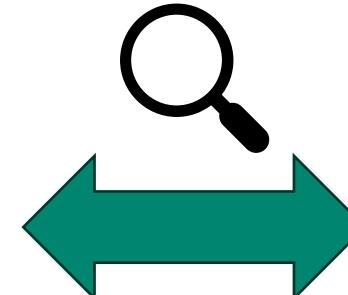
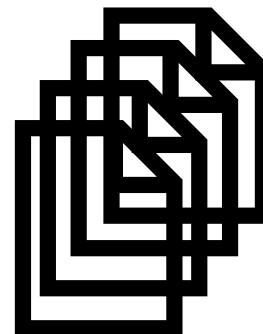
Tax Systems



Intel



Other Data



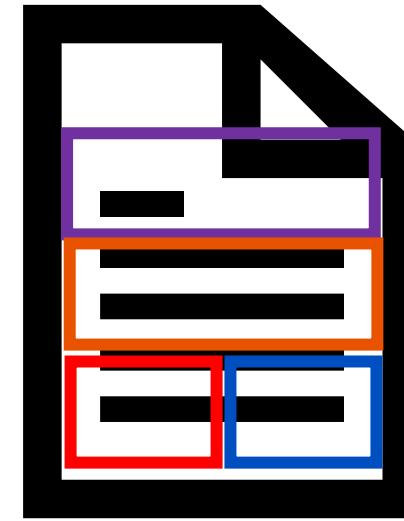
CRS

# Comparing Returns and Income Types



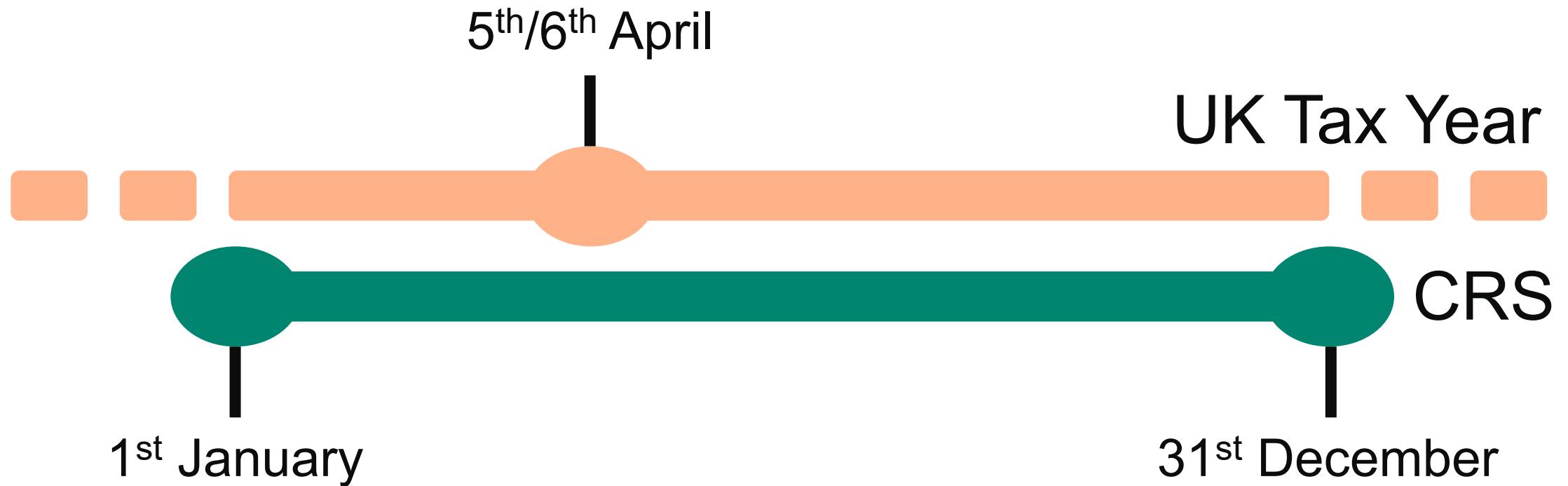
CRS

Dividends  
Interest  
Gross Proceeds  
Other

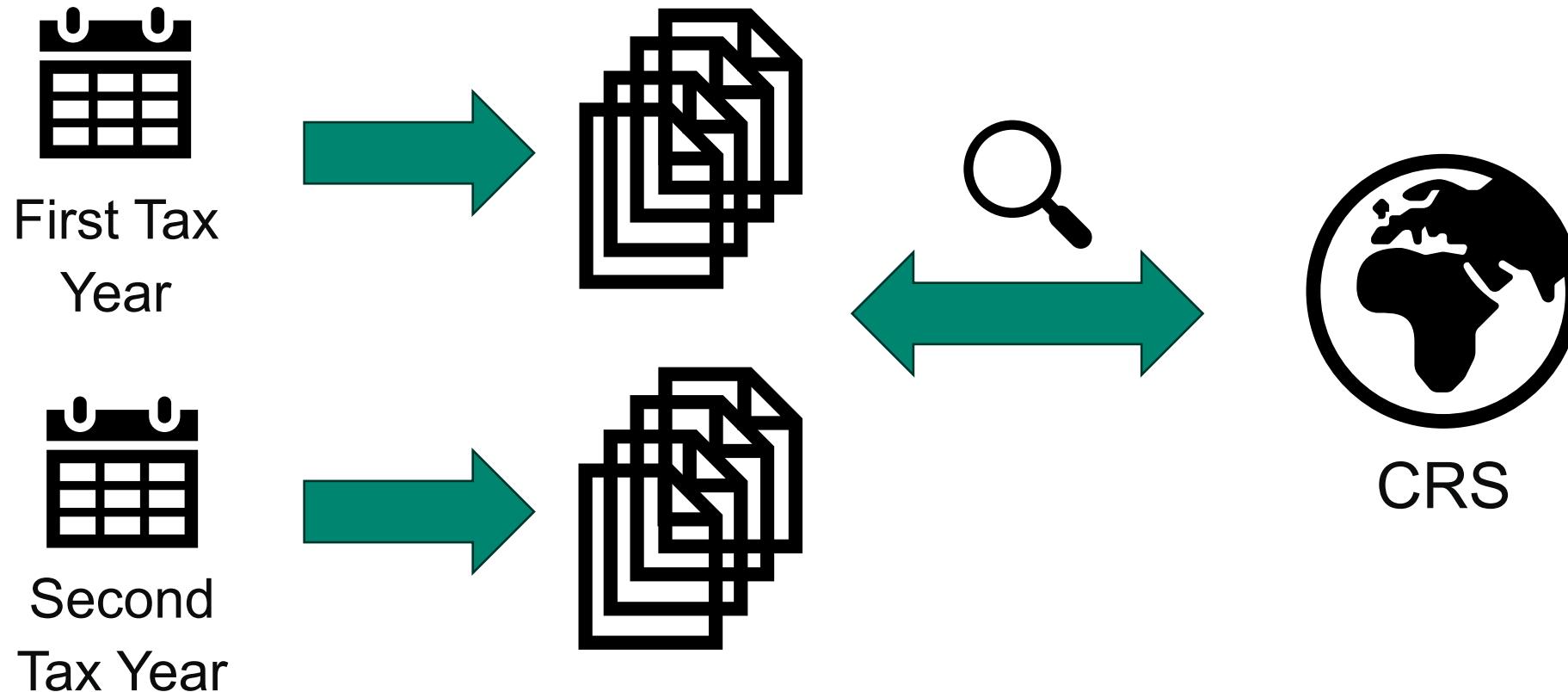


Personal  
Tax Return

# Reporting Year Alignment



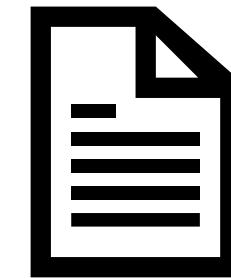
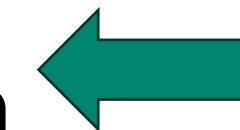
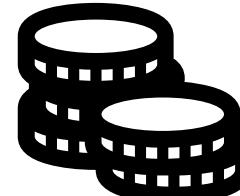
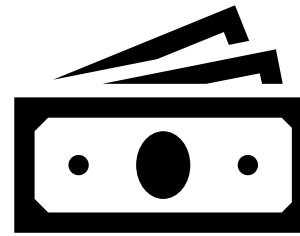
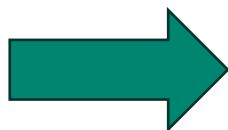
# Multi-Year Comparison



# Tax Risk



CRS

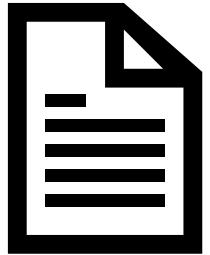


HMRC Data

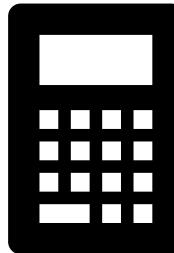


Tax Risk

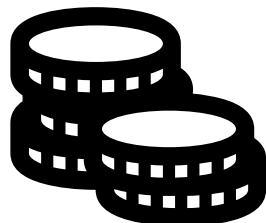
# Considerations for Tax Risk



Declared Income



Tax Allowances



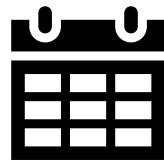
Offshore Tax Paid



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



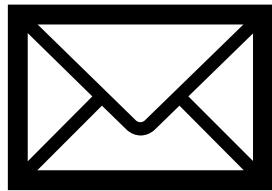
Prior Compliance  
Activity



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.

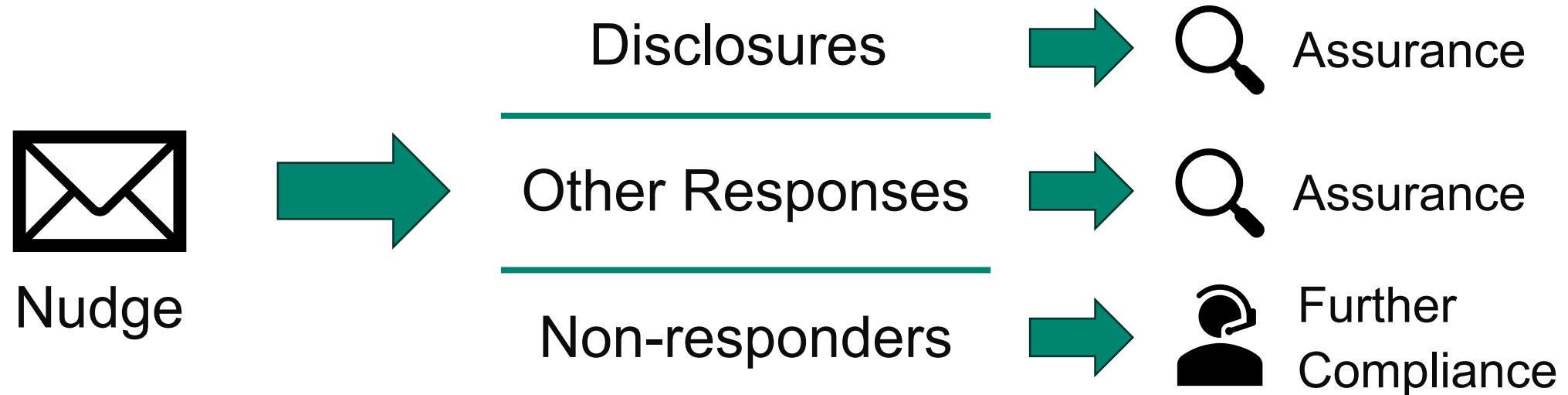
## Higher Tax Risk



### Enquiries

- Enquiries opened by caseworkers.
- Full review of risks.

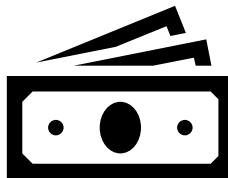
# Nudge-based Activity



# 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.**