

Offshore Tax Disclosure Campaign Pilots New Compliance Transformation Approach

HM Revenue & Customs and Capgemini demonstrate benefit of collaboration

The Situation

A landmark series of legal rulings meant a number of financial institutions had to provide information to HM Revenue & Customs (HMRC) about hundreds of thousands of their UK customers with offshore accounts. As the estimated value of outstanding tax could be very significant, HMRC needed to respond quickly. Capgemini worked with HMRC to design and implement an effective strategy, underpinned by a bespoke solution, in under ten months.

The Solution

HMRC focused on individual taxpayers and businesses on which they had obtained information, which could have income and gains from offshore interests not previously included in their tax returns. HMRC highlighted that there would be a limited penalty for those who registered with the Offshore

Disclosure Facility (ODF) and decisive action to identify and penalize those who did not. In a very challenging timeframe, processes were re-engineered and existing HMRC infrastructure was re-used to provide new services via cost effective websites and call centers. The campaign also included mailings, booklet distribution, payment processing, risk assessment of disclosures and follow-up of customer contacts. All stakeholders, from HMRC, HM Treasury, banks, financial agents, accountancy bodies and legal authorities were involved in the design and marketing of the scheme which kept the solution practical and focused.

“The implementation of this truly innovative project breaks new ground for HMRC.”

Stuart Hartlib
Compliance & Enforcement Senior
Responsible Officer, HMRC



The Result

Over 60,000 taxpayers registered to take advantage of the ODF. Where tax is due they will pay the arrears, interest and a flat rate 10% penalty of any tax underpaid by 26 November 2007.

The pioneering new approach was a first for HMRC to:

- declare a fixed penalty settlement
- deploy customer contact centers and DMB resources in compliance
- use campaign data to learn lessons about different types of customer contact and taxpayer profiles and behavior.

How HMRC and Capgemini Work Together

HMRC took full advantage of Capgemini's acceleration and collaboration techniques to gain committed involvement from the different internal bodies that needed to work together throughout the project. As a result, all internal stakeholders had a shared understanding of the desired outcome, resources and current tax legislation and policy—for example audit partners provided requirements necessary to withstand financial and security scrutiny. The collaborative approach helped HMRC take a fresh look at existing processes and ensure

compliance across many different directorates' policies. Joint working meant that once the scheme was launched it was well understood and supported, from concept to successfully using the infrastructure that helped bring the vision to life.

HMRC's IT department worked with Capgemini to develop new business processes and ensure the integrated solution aligned different components of the campaign. Program management linked the web application, contact

centers and mailings with requirements from other IT partners, like EzGOV, and the numerous internal and external stakeholders. Capgemini Aspire managed the end-to-end business process flow and extensive modelling and testing of contact center, IT and back office. The industrialized approach to risk assessment and intervention helped ensure that the high profile public facing service worked from day one, without interruption and without impact on any other HMRC systems or online services.



About Capgemini and the Collaborative Business Experience

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Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and

collaboration-focused methods and tools. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration.

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“The project is an early example of one of the new ways of promoting compliance—the campaign approach. It's also a collaborative project, which is the way ahead for the future, where people come together from many different units and share their expertise.”

David Hinstridge
Project Manager, HMRC

In collaboration with



HM Revenue & Customs came into being in April 2005 following the integration of the former Inland Revenue and HM Customs & Excise. HMRC is responsible for collecting the bulk of tax revenue, as well as paying Tax Credits and Child Benefits, and strengthening the UK's frontiers.

Aspire is HMRC's ten-year partnership with Capgemini for the provision of systems and business transformation to make it easier and quicker for UK's citizens and enterprises to comply with their tax obligations. Capgemini's contract manages a partner Ecosystem to deliver services and foster innovation by providing access to the best available ideas, technology and services at best value for money.