



Ref: 14/15 – 07	Date issued: 19 August 2014
Subject: Joint enquiries with HMRC	
<p>Question(s) asked:</p> <ol style="list-style-type: none">1) The number of joint enquiries opened by the GLA/HMRC since 1 January 2011, being the date of the issue of GLA Brief 12?2) The number of licence revocations which have occurred as a consequence of the joint enquiries and on what basis?3) Please also refer to the case names of any appeals so that our advisors might access them from the public register?4) The number of licence revocations which have occurred as a consequence of a failure of licence standard 1.1 'fit and proper' as a consequence of a contravention of the requirements and standards of:<ol style="list-style-type: none">a) Tax and NI provisionsAgain in each case citing any published appeal decisions.b) HMRC and/or other regulatory authorities Again in each case citing any published appeal decisions. 5 The number of occasions where a licence has been revoked as a consequence of such contraventions occurring outside of the GLA sector?	
<p>Response(s):</p> <ol style="list-style-type: none">1) There have been 20 joint enquiries opened by the GLA/HMRC. <p>This total does not include any statistics for 2011. The GLA does not hold this information as it was not recorded as a separate statistic prior to January 2012.</p>	

This total also does not include any investigations that were initiated by the GLA and joined by officers from HMRC at a later date. The numbers of investigations where this is the case are not recorded.

2) To date there have been no revocations in the 20 cases cited above. However, a significant proportion of those investigations are still open.

3) As there have been no revocations relevant to your request to date it follows that there have been no appeals.

4) a) Tax and NI provisions

A total of 15 companies that had their licences revoked by the GLA in the specified period failed licence standards 1.1, the 'fit and proper' test, and 2.1, which concerns the correct payment of PAYE, NI and VAT. However, these are not intrinsically linked and failure of standard 1.1 is not an automatic consequence of failing 2.1. Of the 15 revocations where both standards (1.1 and 2.1) were failed, issues around tax and/or NI provisions were specifically recorded to be a contributing factor towards the failure of the 'fit and proper' test in 10 instances.

Appeals

From those 10 revocations, six were subject to appeals against the revocation decision but only two progressed to an appeal hearing before being dismissed. Those two cases are [Lloyds Management](#) and [United Recruitment Services Ltd](#). Of the remaining eight appeals, three are ongoing, two were dismissed without requiring a hearing and three were withdrawn. No appeal was successful in overturning the GLA's decision.

b) HMRC and/or other regulatory authorities

In the specified period, 48 licence revocations resulted partly or entirely from a failure of standard 1.1. Of these 48, reference was made to breaches of other standards or conditions contributing to the failure of 1.1 in 44 cases. The 10 revocations cited in the answer to part a) are included in these 44.

Appeals

Out of the 44 revocations, 31 of the decisions were appealed, leading to only 8 appeal hearings. Those cases are published below. To assist they have been divided into two sections. The first section includes cases where a detailed decision has been provided by an Appointed Person (judge). There are 4 cases, Lloyds Management and United Recruitment Services (links above) and the two more listed below. The second group of cases are those which were summarily dismissed. None of the companies listed were successful in overturning the GLA's decision.

Detailed Decisions

[K7 Ltd](#)

[Mahal \(UK\) Ltd](#)

Others

[J Mann Contractors Ltd](#)

[Delta Services Ltd](#)

[Farm Solutions Ltd](#)

[SFC Personnel Ltd](#)

5 Since 1 January 2011, 47 licences have been revoked for non-compliance outside of the GLA regulated sector.