

Set out below are some examples of issues that are giving rise to serious concerns in Revenue:

- The value attributed to goodwill, which is sold by the medical consultant to his/her controlled company in connection with the transfer of a business (or part thereof), is at a highly inflated and unrealistic price. In many cases it is arguable whether any value at all could reasonably be attributable to goodwill, having regard to the particular circumstances of the case and, indeed, the nature and validity of supporting documentation. Revenue will not accept excessive goodwill values in relation to such business transfers and will challenge all cases where it is considered that there is negligible or no goodwill.
  - The disposal of the business (or part thereof) by the medical consultant to his/her company may give, or have given, rise to a capital gains tax charge on him/her. In a number of cases the amount of tax has been mitigated (in some instances to zero) by the use of capital losses or retirement relief, etc. Where reliefs against CGT liabilities are claimed, the bona fides of these claims will be challenged, as appropriate.
  - In some cases the medical consultants could not advise of the circumstances when he/she acted as a “sole trader” or when he/she acted as an employee for his/her controlled company. This has raised questions on the accuracy of company income, in confirming that income being treated as that of the company (and not of the “sole trader”) is in fact income of the company. It is not sufficient for a medical consultant or his/her accountant to treat certain income as being that of a controlled company where there are no salient facts or contracts to support those contentions.
  - In a number of cases a very aggressive policy has been adopted in relation to the deferral of income. It is clear in a number of cases that the calculation of the deferred income cannot be justified. Deferred income should be an exact calculation. Revenue will not accept any formula that merely estimates this figure. In all such cases Revenue will expect the consultant to show precisely how the figure can be verified.
  - A number of instances have been identified where either no supporting documentation is available to substantiate particular business expense deduction claims or the documentation provided is incomplete or inadequate. Of even greater concern to Revenue, claims for large expenses that are not relevant to the operation of the medical consultant’s business have been claimed in a number of cases, thereby giving rise to significant underpayments of tax. Revenue will not accept any such unsupported or excessive claims for expense deductions.
-