Dear …

Trader name: **[ENTER NAME]**

VAT Number: **[ENTER VAT NUMBER]**

**Notification of joint and several liabilities**

These items are ‘specified goods’ for the purposes of section 77A of the Value Added Tax Act 1994. Under this section a business can be held jointly and severally liable for VAT unpaid if it knew or had reasonable grounds to suspect that some or all of the VAT payable in respect of the supply of such goods would go unpaid anywhere in a supply chain in which it is trading.

In law there is a presumption that you knew or had reasonable grounds to suspect that VAT would go unpaid if you have purchased the specified goods for less than:

* the lowest price that might reasonably be expected to be payable for them on the open market; or
* the price payable on any previous supply of those goods

This is without prejudice to any other way of establishing reasonable grounds for suspicion.

The Commissioners of Revenue and Customs believe that you had reasonable grounds to suspect that the following supplies received by you were part of a supply chain where VAT would go unpaid:

We consider that you had reasonable grounds to suspect that \*this/these business\*(es) would leave VAT unpaid because **[ENTER REASON]**. The other businesses that we believe may be jointly and severally liable for the unpaid VAT of **[ENTER NAME OF MISSING/DEFAULTING TRADER (S)]** are listed on the attachment to this letter.

If you consider that you should not be held jointly and severally liable for the unpaid VAT of the business\*(es) listed above then you must bring any information which you wish to be taken into account to my attention as soon as possible and no later than within 21 days of the date of this letter. You should provide your reasons and explanations together with supporting evidence and take or send them to HM Revenue and Customs at the above address marked “for the attention of **[ENTER OFFICER’S NAME]**”.

If you do not respond or if you fail to provide a satisfactory explanation, a Notice of joint and several liability will be issued. At the time of writing we consider that the amount you would be liable for is £**[ENTER AMOUNT]**.