

Supreme Court 'clarity' on confidentiality of tax advice

Judges have finally clarified the status of legal advice for professionals such as financial advisers and when it is disclosable to third parties, law firm CMS Cameron McKenna has said.

By Marc Shoffman | Published Jan 30, 2013 |  0 comments

Speaking after the Supreme Court ruled that insurer Prudential could not challenge demands for documents relating to a tax avoidance scheme, Rupert Choat, head of construction disputes for Cameron McKenna, said it cleared up the law on legal privilege.



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He said: "Solicitors and barristers will welcome the judgment because it maintains their special status.

"The key benefit of this judgment is clarity as to when legal advice privilege exists and when it doesn't."

Accountants and financial advisers

who may give professional advice should continue to explain to clients that their advice is generally disclosable to third parties.

The Supreme Court rejected Prudential's arguments that some documents related to the tax scheme were covered by legal advice privilege.

It comes amid a clampdown on tax avoidance and evasion.

Last week the Crown Prosecution Service said it was aiming to increase prosecutions for evasion during 2013.

Adviser view

Henry Ejdelbaum, managing director of national corporate adviser ASC Finance for Business, said: "The issue of tax planning has moved from a legal issue to a moral one. It would be easier to just simplify the rules."

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