NEWS

ROSIIP investors take legal action on HMRC's 55% tax

More than 120 investors who transferred their UK pensions into the Singapore-based ROSIIP QROPS are taking legal action against HM Revenue & Customs after the Revenue threatened them with a 55% tax charge following its removal from the list of registered schemes in 2008.

The Recognised Overseas Self Invested International Pensions Retirement Trust (Singapore) (ROSIIP) was stripped of its QROPS status in May 2008 after HMRC deemed it did not meet the requirements at the time it was registered. Because of the Revenue's decision, the 122 investors who used the ROSIIP QROPS between 2007 and 2008, which was promoted by a company called Panthera, could now face an "unauthorised payment" charge of up to 55% of the original transfer value of their pension.

ROSIIP trustee, Equity Trust (now TMF Trustees), has since fought a legal battle with HMRC over whether or not QROPS status should have been removed, but have so far lost at each stage. Most recently in March, the company lost an appeal against a High Court ruling which found in favour of HMRC in May 2011.

Dorsey & Whitney, the lawyers acting for the investors, said HMRC commenced issuing "assessments to tax" – essentially asking for the 55% tax – to some investors around 2 April this year, with further assessments expected to follow in July.