From: **Dan Neidle** [redacted]taxpolicy.org.uk
Subject: Re: Request for comment - trust scheme
Date: 24 February 2025 at 17:03
To: Jeremy Vaughan [redacted]arkawealth.com
Cc: James Verite-Shephard [redacted]arkawealth.com

Dear Mr Vaughan,

Thank you for your email.

If you are serious about reconsidering your scheme I would suggest you take down all your marketing and seek immediate advice on how to make a retrospective DOTAS disclosure. Disclosure under the various DAC 6 implementations across the EU may also be required.

I am not able to provide advice to individual businesses, I’m afraid.

Yours sincerely,

Dan Neidle
Tax Policy Associates Ltd

> On 24 Feb 2025, at 16:45, Jeremy Vaughan <[redacted]arkawealth.com> wrote:
>
> Dear Dan,
>
> Thank you for sharing your point of view on Arka Wealth. We have taken your feedback on board and will be conducting a review of our materials and how we present our marketing.
>
> Given your reputation and expertise in tax law, we may reach out for your assistance with our findings, depending on the outcome of this review. Would you be open to supporting us in this regard?
>
> Best,
>
> Jeremy Vaughan
>
> M: +44[redacted]
> E: [redacted]arkawealth.com
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> <2.png>
>
>> On 21 Feb 2025, at 09:44, Dan Neidle <[redacted]taxpolicy.org.uk> wrote:
>>
>> Dear Sirs

Dear Sirs,

I am the founder of Tax Policy Associates, a think tank established to improve UK tax policy and the public understanding of tax.

Our team, which includes leading tax KCs, tax accountants and solicitors, has reviewed your website and video presentations promoting the “work for your trust" scheme.

In our view:

1. The “work for your trust” structure has a main benefit and purpose of obtaining a tax advantage. It should have been registered under DOTAS. We understand it has not been. That was unlawful, and you are liable for penalties of up to £1m.

2. The scheme is an aggressive tax avoidance scheme which has no realistic prospect of success. In the last 25 years, the courts have struck down almost every tax avoidance scheme they’ve seen. No competent adviser would recommend that a client use a scheme of this kind.

3. Your videos make the false claim that a UK trust is subject to UK tax but a Cypriot trust is not. There are extensive rules in the UK governing the taxation of offshore trusts. The likely result of your structure is up-front capital gains tax on the disposal into the trust, an up-front 20% inheritance tax chargeable lifetime transfer, a 6% principal ten-yearly charge, and ongoing income tax. Your structure will likely leave your clients in a complex and expensive tax and legal mess.

4. The hopelessness of the structure means it is only likely to succeed if users don’t disclose it to HMRC - and that’s how many past users of similar structures have behaved. This, however, takes them into criminal tax fraud territory.

5. You say the scheme works all across Europe. This is wildly implausible, given the differences between European tax systems and the lack of recognition of trusts in civil law countries. You seem to be relying solely on the advice of a UK-qualified barrister, which is very odd.

We also note:

- nobody on your team appears to have any legal or tax qualifications.

- you rely on the analysis of a barrister called Setu Kamal. You say he "neither HMRC or ECJ have disagreed with his analysis, or been successful in challenging it.", and that he has a 100% win record. We conducted a quick review of decided cases where Mr Kamal appeared. We found 13 - of which he won one, won in part in another, and lost the remaining 11. We are unaware he has ever appeared before the CJEU (the name changed from "ECJ" in 2009). Why are you making claims that are so transparently false? And are you aware that Mr Kamal was recently referred to the Bar Standards Board for misconduct, and left his Chambers?

We plan to write that Arka Wealth is either incompetent or a scam, and we will be calling on HMRC to investigate.

If you have any comments, please respond by 5pm on Monday. It is our usual practice to publish responses we receive.

Yours faithfully,

Dan Neidle
Tax Policy Associates Ltd