

Civil investigations – Code of Practice 8

June 2025

Guidance note

1. If HMRC suspects there has been a serious loss of tax but they do not consider that this arises as a result of fraud, they will open an investigation under Code of Practice 8 (COP8). COP8 is a leaflet issued by HMRC (usually by HMRC Fraud Investigation Service) in cases where they suspect that the individual has instigated tax planning that they do not believe works or where they have reason to suspect that all taxes have not been paid. COP8 is used by HMRC to establish the facts and to recover any tax, interest and penalties due.
2. HMRC will use COP8 where the disputed additional tax, interest and any penalties is at least £500,000. It may also be used when the dispute involves complex technical matters or specific tax avoidance arrangements. HMRC tend to rely on COP8 when looking into marketed tax avoidance arrangements and stand-alone enquiries involving substantial amounts. The vast majority of COP8 cases relate to enquiries into the tax affairs of taxpayers who have participated in a tax planning structure or tax avoidance arrangement.
3. A COP8 investigation is carried out by HMRC's Fraud Investigation Service. The aim of a COP8 investigation is not to bring a criminal prosecution but to recover tax, interest and any penalties. However, it is important to note that a COP8 investigation can become a Code of Practice 9 investigation (see guidance note: Civil Tax Fraud Investigations – Code of Practice 9), or a criminal investigation if there is subsequently found to be evidence of tax fraud.
4. Unlike COP9 investigations, COP8 investigations do not have a set procedure. HMRC will usually inform a taxpayer by letter that they have opened an enquiry under the COP8 procedure. A COP8 investigation is likely to focus on the gathering of a large amount of information, including correspondence with third parties and relevant documentation. It is important that anyone who is subject to a COP8 enquiry knows the limitations of HMRC's information gathering powers (see guidance note: How to respond to an information request – Schedule 36, Finance Act 2008) and the importance of legal professional privilege in relation to documents and communications.

Top tips

- Seek expert advice if you are subject to a COP8 investigation.
- Understand the limits on HMRC's information gathering powers and ensure that only information and documents that HMRC are entitled to receive are provided to HMRC.
- Consider whether documents HMRC have requested are subject to legal professional privilege; if they are, they do not need to be provided to HMRC.
- Carefully consider all communications with HMRC, as it can be difficult to rectify at a later date incorrect positions that are put forward to HMRC at the beginning of a COP8 investigation.

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