|  |  |  |
| --- | --- | --- |
| HMRC_327_AW |  |  |
|  |  |  |

***News Release***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | For the attention of **News Desks** | | No of pages: 2 | |  |
|  | Date: | 05 November 2020 | Ref: | SW 04 20 |  |

**Former BHS boss guilty of tax evasion**

Dominic Chappell, who bought BHS for £1 in 2015, has been found guilty of evading tax of £584,000. He has been jailed for six years.

A criminal investigation by HM Revenue and Customs (HMRC) revealed Chappell, 53, of Winterborne Clenston, Dorset, deliberately evaded VAT and Corporation Tax payments for his personal services company, Swiss Rock Limited, and did not disclose dividend income.

Chappell provided consultancy services through Swiss Rock Limited to facilitate the purchase of BHS by Retail Acquisitions Limited, where he was a director.

Chappell failed to submit VAT returns for a 17-month period from March 2015, evading £343,511. HMRC’s investigation revealed the company’s sales invoices totalled £2.3 million, meaning he was liable for £351,944 in VAT. He paid just £8,433.

The businessman also paid just £10,000 of £164,064 in Corporation Tax due to HMRC and neglected to notify HMRC of a £330,000 dividend paid to him through Swiss Rock Limited, which entered liquidation in 2016. The Income Tax evaded on the dividend totalled £86,163.

The court heard, that despite mounting debt, Chappell splashed out on luxuries including yachts, expensive cars, and holidays.

Simon York, Director, Fraud Investigation Service, HMRC, said:

“This was deliberate theft from UK citizens. Chappell was a high-profile businessman who knew tax had to be paid on his income and profits but chose not to do so. That’s money that should have been supporting our vital public services instead of funding his lavish lifestyle.

“Today’s result sends a clear message to the minority who commit tax crime that no matter who you are or what resources you have at your disposal, no one is beyond our reach.”

Dominic Chappell denied the offences during a hearing in June 2019. He was found guilty and sentenced today (5 November 2020) following a four-week trial at Southwark Crown Court, prosecuted by the Crown Prosecution Service. Chappell will serve half on licence.

**Notes for Editors**

1. Dominic Joseph Andrew Chappell, DOB: 28/11/1966, of Winterborne Clenston, Blandford Forum, Dorset, was charged with three counts of Cheating Her Majesty’s Revenue and Customs in respect of Value Added Tax, Corporation Tax and Income Tax, contrary to common law, relating to his company Swiss Rock Limited.
2. He was arrested in Dorset on 2 November 2016.
3. The VAT fraud covered the period between March 2015 and July 2016. The Corporation Tax fraud, where he failed to pay £154,064 related to the accounting period ending 2 April 2015, and the Income Tax due on the dividend income was for the 2014/2015 tax year.
4. Swiss Rock Limited was registered at Bedford Row, London, WC1R. The tax evasion did not relate to any business of a similar name or to BHS.
5. Information about suspected tax fraud can be reported to HMRC online at <https://www.gov.uk/report-an-unregistered-trader-or-business> or by calling our Fraud Hotline on 0800 788 887.
6. Follow HMRC Press Office on Twitter @HMRCpressoffice.

**Issued by HM Revenue & Customs Press Office**

**Press enquiries only please contact:**

Lisa Billard

Tel: 03000 530600 / 07773 091264

Email: [lisa.billard@hmrc.gov.uk](mailto:lisa.billard@hmrc.gov.uk)

Out of hours

Tel: 07860 359544

**Website** [www.gov.uk/hmrc](http://www.gov.uk/hmrc)