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Consultation on sharing and publishing data for public benefit

17 July – 24 September 2013

Background to the consultation

- The Government's Open Data agenda is making information more widely available to deliver public benefits (e.g., supporting economic growth).

- HMRC is already making an important contribution to data availability and now is consulting on going further.

- The consultation is on 1) more flexibility in releasing aggregated and anonymised data and (2) releasing elements of the VAT register.

- HMRC has a strict legislative framework that protects taxpayer confidentiality. Taxpayer confidentiality is paramount.

- This is an open consultation, soliciting views on principles underlying and proposals for, more data sharing, as well as the safeguards necessary to protect taxpayer confidentiality and privacy.

- Government will respond at Autumn Statement on whether and, if so, how to take options forward.

- Legislation would be required to take any options forward.

Release of non-identifying information

HMRC proposes more flexibility in the release of non-identifying information:

- general information (e.g., on policies and processes);

- aggregate information (created by combining information on taxpayers into groups, e.g., average tax paid in an income band); and

- anonymised individual level information (created by removing information that could lead to direct identification of a taxpayer).

The current legal framework: prevents sharing except in limited circumstances (e.g., where it serves an HMRC function or where there is specific legislation permitting sharing).

This restricts HMRC's ability to use the information to generate public benefits (e.g., contributing to research which could improve economic growth, social mobility and health promotion)

This level of protection is hard to justify, where individuals (including individual companies) can't be identified.

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Proposals for consultation

Proposal A: removing legal constraints on sharing general and aggregate information:

- would provide HMRC with the flexibility to share and to publish data with fewer delays to a wide group of users for public benefit; and

- proposes safeguards including: review of disclosure proposals and statistical disclosure control policies to prevent identification of individuals.

Proposal B: removing legal constraints on sharing of anonymised individual non-identifying information:

- would facilitate in-depth research exploiting unique datasets, permitting HMRC to contribute to cross government research, without the cost and delay of individual gateways; and

- proposes safeguards, including: use of a secure environment, review to prevent individual data release, and criminal sanctions for disclosure of personal information.

Key questions: understanding how the proposals would work, the benefits and the safeguards that would be required.

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Release of VAT registration data

VAT registration data are the identifying data provided by traders and generated when registering for VAT. They are often made public by the business for business purposes. They:

- include the trader's name(s), contact details, status (eg, company, partnership) and the VAT Registration Number (VRN);

- do not include any financial or tax liability or payment data;

- cover a population of some 1.9 million traders (800,000 incorporated) but exclude 2.9 million non-registered businesses.

Release would make available additional information about a business to suppliers, lenders, customers or employees and its activities. Potential benefits include:

- promoting economic growth through better and/or cheaper services in areas such as credit scoring, fraud protection, anti money laundering compliance, creation of business registers, or other unidentified uses.

- provision to HMRC of enriched or supplemented data to help with its fight against tax evasion and fraud.

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Proposal for VAT data publication (i.e., open data)

The Government wants to explore the spectrum of release options. The core public release proposal:

- would be a limited extract of only three data fields – trading name, VRN and SIC code – thus minimising the potential impact on privacy;

- would nonetheless provide users with a comprehensive data set of the VAT registered population which could be combined with other information to generate public and wider economic benefits.

Variants to the core public release proposal include:

- permitting opting out of disclosure, or opting in to additional disclosures;

- providing more control to individuals, but reducing the economic benefits.

Appropriate safeguards are essential:

- to ensure that the data cannot be misused (eg, increasing fraud); and

- to protect privacy, taking into account the case for public identification of businesses.

The consultation aims to understand potential benefits and costs of different release options, and the safeguards that would be required.

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Proposal for controlled VAT data release

The controlled release proposal would see release of the full set of VAT registration data under the following limited circumstances:

- for approved purposes only (e.g., credit scoring);

- to approved qualifying parties only; and

- subject to rigorous controls

This would permit the data to be targeted to uses with significant public and wider economic benefits:

- for example, use by credit reference agencies for credit scoring purposes could have a material impact on the availability of trade credit;

- it is important to understand if this would disadvantage any parties;

- research is underway to assess these issues.

Appropriate safeguards are essential:

- recognising that a controlled data release would facilitate imposing controls to prevent fraud or to ensure privacy.

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Next steps

- Engagement with stakeholders during the consultation period.

- Consultation closes on 24 September 2013.

- Announcement of Government's response to the consultation in Autumn Statement 2013.

- Any measures taken forward would be subject to full Parliamentary scrutiny, and draft legislation would be published for consultation

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