



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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Chief Executive's Office
HM Revenue and Customs

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Dear Ms Homer,

BUSINESS APPOINTMENT APPLICATION: DAVE HARTNETT

The Committee has been asked to consider an application from Dave Hartnett, the former Permanent Secretary for Tax at HMRC, who is seeking permission to accept a part-time appointment with Deloitte LLP, following his retirement from Crown service on 31 July 2012.

The Committee noted that Mr Hartnett's appointment with Deloitte would involve supporting the development of tax administrations in other countries. Whilst working in Government, Mr Hartnett had official dealings with Deloitte, and had responsibility for officials who had, but that he also dealt with a wide range of major accountancy and law firms during his time in HMRC and the Inland Revenue before that. The Committee also noted that Deloitte represented a number of companies within HMRC's High Risk Corporate Programme to tackle tax avoidance; and as a Tax Commissioner, he approved many of the largest settlements in that programme. However, he always did so acting in partnership with another HMRC Commissioner. The National Audit Office has concluded, on the basis of a review by a former High Court tax judge, of five large tax settlements, that all five were reasonable and the overall outcome for the Exchequer was good. The Committee further noted that this role would not involve any contact with HMRC on UK tax issues; nor would it involve lobbying Ministers or officials in the UK to gain business for Deloitte or further the firm's interests. Whilst in HMRC, Mr Hartnett supported developing countries' work in building and improving their tax administrations, and he has recognised skills and expertise in this field.

It also noted that he has already served the three-month waiting period which is required of former Permanent Secretaries.

The Prime Minister has accepted the Committee's recommendation that his application be approved subject to the conditions that he:

- should not draw on any privileged information available to him whilst in Crown service;

- has no involvement in either a representative or advisory capacity for any taxpayer that he has been involved with whilst at HMRC;
- is not involved whilst engaged by Deloitte in any work considering how UK taxation, for any of their clients, can be mitigated or avoided;
- has no involvement in negotiation or management of contracts with HMRC;
- has no involvement in discussions with other fiscal authorities of UK's confidential tax policy where he has been involved in that area of work in HMRC; and
- does not become personally involved in lobbying Government on behalf of his new employer for two years from his last day of service.

The Business Appointment Rules define lobbying in the following way: "Lobbying in this context means that the former civil servant should not engage in communication with Government - including Ministers, special advisers and officials - with a view to influencing a Government decision or policy in relation to their own interests, or the interests of the organisation by which they are employed, or to whom they are contracted".

I should also be grateful if you could ensure that we are informed as soon as Mr Hartnett takes up the employment with Deloitte, or if it is announced that he will do so (I enclose a form for this purpose). We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments which have not been taken up or announced, and this could lead to a false assumption being made about whether he had complied with the rules.

Once the appointment has been publicly announced or taken up, we will publish this letter on the Committee's website and include the main details of the application, together with the Advisory Committee's advice, in the regularly updated consolidated list on our website and in the next annual report.

Yours sincerely

Ekpe Attah
Committee Secretariat