HM Treasury

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Introduction

A fair tax system is key to building a fairer society. From individuals to the largest companies, everyone must pay their fair share towards our vital public services. The vast majority already do. The UK's tax gap – the difference between what is owed and what HMRC actually collect – is one of the lowest in the world, and it has reached a record-low of 6.0%.[1] But there is a minority who try to break the rules, and others who enter into avoidance schemes or aggressive tax planning arrangements which clearly go beyond what Parliament intended.

The government has shown it will act. Including the action taken at this Budget, the government has introduced over 100 measures since 2010. These and HMRC efforts have collected and protected an additional £160 billion since 2010.[2]

The UK is also spearheading international efforts to improve tax transparency. We have made it harder for people to hide their money abroad, by leading the global drive to introduce the Common Reporting Standard. This means that HMRC, along with almost 50 other tax authorities, now exchange information automatically on accounts held offshore, and by September next year over 100 jurisdictions will be participating in this game-changing initiative.

At Autumn Budget 2017, the government announces 18 measures and additional investment in HMRC to tackle avoidance, evasion, and non-compliance. Together these are forecast to raise an additional £4.8 billion between now and 2022-23.

Sources of aggressive tax planning, avoidance, evasion and non-compliance

Avoidance, evasion and non-compliance can be seen in a wide range of behaviours across different customer groups and taxes. 'Measuring tax gaps 2017' sets out the scope and scale of the challenges faced by HMRC.

These range from taxpayer errors (10% of the tax gap) or failing to take reasonable care (18%) to differences in how to interpret legislation (18%), organised criminality (15%), evasion (15%) and avoidance (5%). It also varies by customer group with contributions to the tax gap coming from small and medium sized businesses (46%), large businesses (29%), criminals (15%) and individuals (11%).

The government will continue to build on the steps it has already taken to address these challenges across all parts of the economy. This includes developing new measures to tackle emerging threats as well as working internationally where multilateral action is needed.

This paper lists over 100 measures introduced by the government since 2010. In particular, the government has taken action in four main areas:

[1] Measuring Tax Gaps 2017: https://www.gov.uk/government/statistics/measuring-tax-gaps
[2] HMRC Annual report: https://www.gov.uk/government/publications/hmrc-annual-report-and-accounts-2016-to-2017

Marketed tax avoidance

The government has taken successive actions since 2010 to deter the marketing and use of tax avoidance schemes. This has included increasing the penalties and consequences for those who devise, enable or use these schemes, removing the economic benefit from avoidance and introducing a penalty which ensures those charged cannot keep a single pound of what they make helping others to avoid tax.

The government has:

- introduced the UK's first General Anti-Abuse Rule (GAAR) (Finance Act 2013)
- introduced Accelerated Payment and Follower Notices and powers to act against Promoters of Tax Avoidance Schemes (POTAS) (Finance Act 2014)
- successively strengthened and expanded the Disclosure of Tax Avoidance Schemes (DOTAS) regime (Finance Act 2015)
- introduced new penalties for serial avoiders who persistently enter into tax avoidance schemes that are defeated (STAR) (Finance Act 2016)
- introduced a tough new financial penalty to deter enablers of tax avoidance as well as a new disclosure regime for indirect tax avoidance schemes (Finance Act (No. 2) 2017)
- tackled contrived arrangements to disguise remuneration, typically providing loans to employees through third parties, by imposing a new income tax and NICs charge from April 2011 (Finance Act 2011) and a charge on loans outstanding at 5 April 2019 (Finance Act 2016 and Finance (No.2) Act 2017)

Offshore tax evasion and the use of offshore structures

The government has led the global drive to tackle offshore tax evasion by promoting the sharing of information and creating tough new penalties to encourage compliance.

For example, the UK was at the forefront of the OECD work to develop the Common Reporting Standard (OECD Council's approval on 15 July 2014) – an international tax transparency standard that means HMRC, along with almost 50 other tax authorities (including all UK Crown Dependencies and Overseas Territories with financial centres), is now receiving information automatically on financial accounts held offshore. By September next year, over 100 jurisdictions will be participating.

The government will take the steps required to investigate any wrongdoing. In response to the Panama Papers, work undertaken by HMRC resulted in 66 criminal and civil tax investigations, and HMRC have asked the International Consortium of Investigative Journalists (ICIJ) for the data from the recent 'Paradise Papers' to see what further investigations are required. The government has also introduced:

- a new simpler criminal offence and increased penalties for offshore evaders (Finance Acts 2015 and 2016)
- penalties for those who deliberately help others evade tax offshore (Finance Act 2016), and a new corporate criminal offence for corporate bodies and partnerships that fail to prevent their representatives from facilitating tax evasion (Criminal Finances Act 2017)

- a new requirement to correct any past offshore tax non-compliance or else greatly increased penalties will apply (Finance (No. 2) Act 2017)

At Autumn Budget 2017, the government is increasing the time limits for HMRC to assess offshore tax non-compliance to at least 12 years in all cases, and will consult on this in spring 2018.

Cross border tax arrangements of multinational businesses

The government is committed to having a competitive corporate tax system but is clear that companies must pay their fair share.

In 2015 the government introduced the Diverted Profits Tax, which counters aggressive tax planning by large multinational companies that enter contrived arrangements to artificially divert profits away from the UK. At Autumn Budget 2017, the government has gone further and announced that it will again expand the UK's withholding tax rights on royalties to prevent multinational businesses, primarily in the digital sector, recognising profits which relate to UK sales in companies in low-tax countries.

The UK has also been at the forefront of multilateral action taken over the last few years through the G20 and OECD to address Base Erosion and Profit Shifting (BEPS) by reforming international tax standards, and agreeing rules that each country can introduce to address BEPS. Action taken in the UK as a result of this international effort includes introducing:

- interest restriction rules, which prevent large multinationals claiming excessive tax deductions for interest expense and ensures they pay their fair share (Finance Act (No. 2) 2017)
- hybrid mismatch rules, which prevent multinationals from exploiting differences in how countries tax financial instruments, entities and branches (Finance Act 2016)

Other measures to tackle avoidance, evasion and non-compliance

The government has also acted to tackle onshore evasion and the hidden economy, including:

- extending HMRC's data-gathering powers to merchant acquirers and aggregators who process credit and debit card payments on behalf of retailers (Finance Act 2013), business intermediaries, providers of electronic stored-value payment services (Finance Act 2016) and Money Service Businesses (Finance Act 2017)
- reducing Excise fraud by introducing a registration scheme for alcohol wholesalers (Finance Act 2015)
- addressing online sales fraud by non-compliant overseas traders by enabling HMRC to hold an online marketplace jointly and severally liable for the unpaid VAT of an overseas business that sells goods in the UK via the online marketplace's website (Finance Act 2016) and introducing a due diligence scheme for UK fulfilment houses (Finance (No.2) Act 2017)

At Autumn Budget 2017, the government is going further to tackle evasion by extending HMRC's powers to hold online marketplaces jointly and severally liable (JSL) for the unpaid VAT of all traders on their platforms.

Giving HMRC additional resources to further tackle these challenges

The government has invested around £2 billion in HMRC since 2010 and will continue to invest in staff and new technology to ensure HMRC has the resources to further tackle avoidance, evasion and non-compliance. This includes:

- £900 million at Spending Review 2010 to bring in an additional £7 billion per year in tax revenues
- £800 million at Summer Budget 2015 to tackle non-compliance by large businesses and the wealthy as well as new teams to investigate organised crime
- £155 million at Autumn Budget 2017 to address a range of avoidance and evasion activity, including tackling enablers and facilitators of tax fraud

This investment has helped change the way that HMRC deals with wealthy individuals and large businesses, and has resulted in criminal convictions for tax fraud rising to over 1,000 a year, a total of 4,900 years of custodial sentences, and revenue losses prevented of more than £10 billion since 2010.

A commitment to further action

The government has consistently acted to tackle aggressive tax planning, avoidance, evasion and non-compliance in the tax system and has already made game-changing strides in tackling the problem.

Users of tax avoidance schemes can no longer hold onto their money whilst their tax liabilities are disputed. They now have to pay up front under the Accelerated Payments regime, which has changed the underlying economics of tax avoidance and seen more than £4 billion additional tax paid over to the Exchequer.

The new Diverted Profits Tax has already yielded more than was forecast, and has been followed by Australia who have introduced a similar tax.

And the government has continued to invest in HMRC to ensure it has the right resources in place.

The measures announced at Autumn Budget 2017 continue that commitment to ensure everyone, from individuals to the largest companies, pay their fair share towards our vital public services.

Table 1.A: Measures between Summer Budget 2010 and Spring Budget 2017 to tackle tax avoidance, evasion, other forms of non-compliance and aggressive tax planning

Fiscal event	Measure title	Chapter text
Summer Budget – June 2010	Accounting Derecognition	**2.110** Legislation will be in the Finance Bill introduced after the Budget, with effect from Budget day, to prevent avoidance of corporation tax using accounting 'derecognition' rules in relation to loans and derivatives.
Summer Budget – June 2010	Alternative Investment Funds	**2.111** Legislation will be introduced, with effect from Budget day, to prevent tax avoidance involving the creation for corporate investors of a credit for UK tax where no UK tax has been paid.
Summer Budget – June 2010	Financial Securities	Summer Budget – June 2010: **2.112** The Government will now consult on introducing a power for HMRC to require financial security where PAYE & NICs are at serious risk of non payment, rather than legislate in the upcoming Finance Bill as announced at the March 2010 Budget. Budget 2011 2.205 Financial securities for PAYE and NICs – Following consultation, HMRC will be able from April 2012 to require a security from employers where there is a serious risk that tax due under PAYE or Class 1 NICs will go unpaid. (Finance Bill 2011)
Summer Budget – June 2010	Life insurance	**2.113** An anti-avoidance rule that applies when a transfer of business sidesteps the rules for non-profit funds with unrecognised profits will be legislated for in the Finance Bill introduced after the Budget. Additionally, legislation will be in the Finance Bill introduced in the autumn to modify the tax rules that apply to Overseas Life Insurance Companies and the application of the transfer of business rules when non-profit business is transferred to a non-EEA country.
Summer Budget – June 2010	General Anti-Abuse Rule (GAAR)	Summer Budget – June 2010: **2.114** The Government will engage informally with interested parties to explore whether there is a case for developing a General Anti-Avoidance Rule (GAAR). This will be part of wider work on improvements to the tax policy making process. Budget – March 2012: **1.194** Budget 2012 announces that the Government accepts the recommendation of the Aaronson Report that a General Anti-Abuse Rule (GAAR) targeted at artificial and abusive tax avoidance schemes would improve the UK's ability to tackle tax avoidance while maintaining the attractiveness of the UK as a location for genuine business investment. The Government will consult with a view to bringing forward legislation in Finance Bill 2013. Budget – March 2013: 2.217 General Anti-Abuse Rule (GAAR) – As announced at Budget 2012, the Government will introduce a GAAR in this year's Finance Bill to tackle abusive tax avoidance schemes. (Finance Bill 2013)

Fiscal event	Measure title	Chapter text
Summer Budget – June 2010	Inheritance Tax	**Summer Budget – June 2010** **2.115** The Government will consult on bringing Inheritance tax (IHT) on trusts within the Disclosure of Tax Avoidance Schemes regime. **Budget - March 2011** **2.182** Regulations have now been laid to bring inheritance tax, as it applies to transfers of property into trust, within DOTAS. They come into effect on 6 April 2011 and will require disclosure of new and innovative IHT avoidance schemes involving transfers into trust.
Budget – March 2011	VAT: fraud on imported road vehicles	**Budget – March 2011** **2.163 Tackling VAT fraud on imported road vehicles** – The Government will introduce a new online notification system for road vehicles brought into the UK from 2013 in order to combat fraud in this area. This will be a joint HMRC and Driver and Vehicle Licensing Agency (DVLA) initiative. (Finance Bill 2012) **Budget – March 2012** **2.190 VAT: tackling fraud on imported road vehicles -** As announced at Budget 2011, the new system to tackle VAT evasion on road vehicles brought into the UK will be introduced from 15 April 2013. Vehicles will have to be notified to HMRC before registration with the Driver and Vehicle Licensing Agency and a new online system will be available to facilitate this. (Finance Bill 2012)
Budget – March 2011	Sale of lessor companies: avoidance	**2.175 Sale of lessor companies** – The Government will introduce legislation with effect from 23 March 2011 amends the sale of lessors anti-avoidance legislation to ensure it remains effective and withdraws the option to elect for alternative treatment. (Finance Bill 2011)
Budget – March 2011	Stamp Duty Land Tax: avoidance	**2.177 SDLT** – The Government will introduce legislation, with effect from 24 March 2011, to address three SDLT avoidance risks. The changes cover avoidance techniques that use the subsales rules, the Alternative Finance reliefs and the rules for exchanges of land. These techniques have been used to attempt to avoid tax on both residential and non-residential property transactions, including on high value property transactions. (Finance Bill 2011)

Fiscal event	Measure title	Chapter text
Budget – March 2011	Leasing double allowances: avoidance	**Budget – March 2011:** **2.187 Leasing double allowances** – As announced on 9 March 2011, the Government will introduce legislation to counter avoidance involving the leasing of plant or machinery where taxpayers claim capital allowances twice on one amount of expenditure. (Finance Bill 2011) **Budget – March 2012:** **2.208 Capital allowances: anti-avoidance rules** – As announced at Budget 2011, from April 2012, the capital allowance anti-avoidance legislation will be widened to protect the Exchequer from a loss of tax revenue as a result of transactions to acquire plant or machinery which are part of a scheme or arrangement involving avoidance. (Finance Bill 2012)
Budget – March 2011	Disguised remuneration: avoidance	**2.188 Disguised remuneration** – As announced in December 2010, the Government will introduce legislation to target arrangements intended to disguise remuneration or avoid restrictions on pensions tax relief. The measure ensures that where a reward or a loan is provided, via a third party, in connection with the employee's employment, an income tax charge arises and the employer is required to account for PAYE. (Finance Bill 2011)
Budget – March 2011	Currency for tax calculations: avoidance	**2.189 UK resident investment companies: currency for tax calculations** – As announced on 6 December 2010, the Government will introduce legislation to counter avoidance involving investment companies retrospectively changing the functional currency they prepare their accounts in for tax purposes. It will also allow investment companies to elect, prospectively, for a different functional currency. (Finance Bill 2011)
Budget – March 2011	Group mismatches	**2.190 Group mismatches** - As announced on 6 December 2010, the Government will introduce legislation to prevent tax avoidance involving groups of companies using intra-group loans or derivatives to reduce the group's tax bill. (Finance Bill 2011)
Budget – March 2011	VAT: supply splitting using printed matter	**2.191 VAT: prevention of supply-splitting using printed matter** – As announced on 6 December 2010 the Government will introduce legislation to withdraw zero-rating for ancillary printed matter where it is connected to the supply of a differently rated service. (Finance Bill 2011)
Budget – March 2011	Dishonest tax agents	**Budget – March 2011:** **2.197 Dishonest tax agents** - Further consultation and draft legislation will be published in July 2011 on HMRC's approach to tackling dishonest tax agents. (Finance Bill 2012) **Budget – March 2012:** **2.225** Following consultation, from 1 April 2013 HMRC's powers will be updated to more effectively target dishonest tax agents. (Finance Bill 2012)
Budget – March 2011	HMRC's data gathering powers	**2.198 Data gathering** - Following consultation, from 1 April 2012 HMRC data-gathering powers will be updated so that they can more effectively target non-compliant taxpayers. (Finance Bill 2011)

Fiscal event	Measure title	Chapter text
Autumn Statement – November 2011	Asset-backed pensions contributions	**2.20 Asset-backed pensions contributions** – Following consultation, to prevent employers gaining excessive tax relief for asset-backed pension contributions to their pension schemes, the Government will introduce Finance Bill 2012 legislation that takes effect on 29 November 2011 to ensure no excessive relief can arise for new arrangements. Transitional rules will apply to existing asset-backed arrangements that have already received tax relief to ensure the correct amount is given by the end of an arrangement.
Autumn Statement – November 2011	Manufactured overseas dividends	**Autumn Statement – November 2011** **2.36 Manufactured overseas dividends** – The Government will put beyond doubt that manufactured overseas dividends cannot be used to obtain repayment or set off of income tax that the Exchequer does not receive. This was announced in a Written Ministerial Statement on 15 September 2011 and will take effect from that date. **Budget – March 2012:** **2.206 Manufactured overseas dividends –** As announced in a Written Ministerial Statement on 15 September 2011, and with effect from the same date, the Government will put beyond doubt that manufactured overseas dividends cannot be used to obtain repayment or set off of income tax that the Exchequer does not receive. (Finance Bill 2012) **Budget – March 2013:** **2.109 Manufactured payments –** As announced on 15 September 2011 and consulted on during 2012, legislation will be introduced to simplify the rules for manufactured payments and make them less vulnerable to avoidance. The new rules will have effect from 1 January 2014. (Finance Bill 2013)

Fiscal event	Measure title	Chapter text
Budget – March 2012	Alcohol fraud	**Budget – March 2012:** **2.137 Alcohol fraud** - The Government will consult on alcohol anti-fraud measures, including the introduction of fiscal marks for beer, supply chain legislation, and a licensing scheme for wholesale alcohol dealers. (future Finance Bills) **Autumn Statement – December 2013:** **2.136 Alcohol fraud** – Following consultation, the government will introduce new measures to reduce the illicit trade in alcohol products, including a registration scheme for alcohol wholesalers that will start to take effect in 2016, and also a requirement that from early 2014 alcohol traders take reasonable steps to ensure that their suppliers and customers are legitimate. (Finance Bill 2015) **Budget – March 2014:** **2.140 Alcohol fraud** – As announced at Autumn Statement 2013, the government will introduce new measures to reduce the illicit trade in alcohol products, including a registration scheme for alcohol wholesalers that will start to take effect in 2016 and a requirement for traders to take reasonable steps to ensure their customers are legitimate to take effect later in 2014. **Budget – March 2015:** **2.146 Alcohol fraud** – As announced at Autumn Statement 2013, the government will introduce a registration scheme for alcohol wholesalers that will take effect from October 2015. (Finance Bill 2015)

Fiscal event	Measure title	Chapter text
Budget – March 2012	SDLT: avoidance on residential property and associated CGT changes	**1.195** To ensure that individuals and companies pay a fair share of tax on residential property transactions and to tackle avoidance, the Government will: … • tackle the 'enveloping' of high value properties into companies to avoid paying a fair share of tax. The Government will introduce a 15 per cent rate of SDLT to be applied to residential properties over £2 million purchased by non-natural persons, such as companies. This new rate will take effect on 21 March 2012. In addition, the Government will consult on the introduction of an annual charge on residential properties valued at over £2 million owned by these persons, with the intention of legislating in Finance Bill 2013 for commencement in April 2013; and • to support this measure, the Government will extend the capital gains tax regime to gains on the disposal of UK residential property and shares or interests in such property by non-resident, non-natural persons. This will commence from April 2013, following consultation on the details of the measure. **2.174 Enveloping of high value residential properties** – The Government will apply a 15 per cent rate of SDLT to residential properties over £2 million purchased by certain non-natural persons. The 15 per cent rate will take effect from 21 March 2012. In addition the Government will consult on the introduction of an annual charge on residential properties valued over £2 million owned by certain non-natural persons with the intention of introducing legislation next year and the measure coming into effect in April 2013. (Finance Bill 2012 for rate; Finance Bill 2013 for annual charge)
Budget – March 2012	Debt buybacks	**2.201 Debt buybacks** – As announced in a Written Ministerial Statement on 27 February 2012, and with effect from the same date, the Government will amend the corporation tax rules on loan relationships held between connected companies. The calculation of deemed releases of debts becoming held by connected companies will be amended and a targeted anti-avoidance rule to counter arrangements that aim to circumvent the deemed release rules will be inserted. The legislation will include limited retrospective provision for certain arrangements entered into between 1 December 2011 and 27 February 2012. (Finance Bill 2012)
Budget – March 2012	Corporate investors in Authorised Investment Funds (AIFs)	**2.202 Corporate investors in Authorised Investment Funds (AIFs)** - As announced on 27 February 2012, and with effect from the same date, the Government has introduced legislation to address a tax avoidance scheme which seeks to obtain tax benefits for a corporate investor in relation to a distribution made by an AIF where no underlying tax has been suffered.
Budget – March 2012	Property losses	**2.210 Property losses** - As announced on 13 March 2012, and with effect from the same date, the Government will introduce legislation to counter avoidance involving losses from a property business set against general income. (Finance Bill 2012)
Budget – March 2012	Site restoration payments	**2.211 Site restoration payments** - The Government will introduce legislation, with effect from 21 March 2012, to prevent the exploitation of relief given for site restoration payments. (Finance Bill 2012)

Fiscal event	Measure title	Chapter text
Budget – March 2012	Plant and Machinery leasing	**2.212 Plant and machinery leasing** – With effect from 21 March 2012, changes will be made to capital allowances rules to counteract disclosed avoidance schemes which seek to bring in an artificially low disposal value for capital allowances purposes at the end of a long funding lease. (Finance Bill 2012)
Budget – March 2012	Inheritance tax: avoidance using offshore trusts	**2.216 Inheritance tax: avoidance using offshore trusts** - The Government will introduce legislation, with effect from 21 March 2012, to amend the excluded property and settled property provisions in order to close an avoidance scheme involving the acquisition of interests in offshore excluded property trusts. (Finance Bill 2012)
Budget – March 2012	Settlor-interested trusts: avoidance	**2.217 Income tax: avoidance using settlor-interested trusts** – The Government will introduce legislation, with effect from 21 March 2012, to amend the settlements legislation in order to close an avoidance scheme involving corporate settlors. (Finance Bill 2012)
Budget - March 2012	Criminal investigations powers	**Budget – March 2012** **2.226 Criminal investigations powers** - The Government will make a minor legislative change to align HMRC's powers under the Proceeds of Crime Act 2002 across all taxes. (Finance Bill 2013) **Budget – March 2013** **2.211 Criminal investigation powers** – As announced at Budget 2012, the Government will make a minor legislative change allowing HMRC to exercise certain criminal asset recovery powers in-house instead of indirectly via police action. (Finance Bill 2013)
Budget - March 2012	Modernising customs legislation	**Budget – March 2012:** **2.228 Modernising customs legislation -** Following consultation, the Government will update legislation in relation to detention and definition of goods and the size of penalties for smuggling on ships. (Finance Bill 2013) **Budget – March 2013:** **2.208 Customs and Excise modernisation: fines on ships** – As announced at Budget 2012, the Government will re-value fines on ships to ensure they remain appropriate disincentives. (Finance Bill 2013) **2.209 Customs and Excise modernisation: definition of goods** – As announced at Budget 2012, the Government is clarifying the definition of goods under customs legislation. (Finance Bill 2013) **2.210 Customs and Excise modernisation: power to detain excise goods** – As announced at Budget 2012, the Government will clarify HMRC's power to detain goods during customs and excise investigations. (Finance Bill 2013)

Fiscal event	Measure title	Chapter text
Autumn Statement – December 2012	Offshore employment intermediaries	**Autumn Statement – December 2012:** **1.178** Autumn Statement 2012 confirms significant new developments to help prevent, detect and tackle tax avoidance and evasion in the future through: … • building on existing work, HMRC is conducting a review of offshore employment intermediaries being used to avoid tax and NICs and will provide an update on this work at Budget 2013. **Budget – March 2013:** **2.198 Offshore employment intermediaries** – The Government will consult on strengthening obligations to ensure the correct income tax and NICs are paid by offshore employment intermediaries. This is a result of the review announced at Autumn Statement 2012. (Finance Bill 2014)
Autumn Statement – December 2012	Avoidance schemes: enhanced information powers (DOTAS and POTAS)	**Autumn Statement – December 2012:** **1.178** Autumn Statement 2012 confirms significant new developments to help prevent, detect and tackle tax avoidance and evasion in the future through: … • consulting on the introduction of significant new information disclosure and penalty powers to target the promoters of aggressive tax avoidance schemes **Budget – March 2013** **2.226 Enhanced information powers for tax avoidance schemes** – Following on from the announcement made at Autumn Statement 2012, the Government will consult, after Budget 2013, on new powers to take tougher action against high risk promoters of tax avoidance schemes, including new information and penalty powers, and the possible use of 'naming and shaming'. **Budget – March 2014** **2.187 High risk promoters –** The government will provide HMRC with new powers to tackle non-cooperative promoters of tax avoidance schemes. These powers will include the ability to issue conduct notices, breaches of which will trigger enhanced information powers with large financial penalties for non-compliance. (Finance Bill 2014)
Autumn Statement – December 2012	UK-Switzerland Agreement	**2.97 Agreement between the UK and Switzerland** – The Government is today reflecting the benefit of the UK-Switzerland agreement in the public finances following the passing of the agreement by both the Swiss and UK Parliaments. The additional revenues reflect reclaimed tax on money hidden in Switzerland.

Fiscal event	Measure title	Chapter text
Autumn Statement – December 2012	HMRC data-gathering powers	**Autumn Statement – December 2012** **2.101 HMRC powers -** The Government will amend HMRC's bulk data-gathering powers to allow it to issue notices to merchant acquirers, who process payment card transactions, to identify businesses who are not declaring their full tax liability. **Budget – March 2013:** **2.200 Data-gathering from merchant acquirers** – As announced in Autumn Statement 2012, the Government will legislate in Finance Bill 2013 to amend HMRC's data-gathering powers. (Finance Bill 2013)
Autumn Statement – December 2012	Avoidance schemes involving loan relationships and derivatives	**Autumn Statement – December 2012:** **2.111 Avoidance schemes involving loan relationships and derivatives** - With effect from 5 December 2012, the Government will close down three corporation tax avoidance schemes involving financial products. **Budget – March 2013:** **2.215 Avoidance schemes involving loan relationships and derivatives** – As announced at Autumn Statement 2012, the Government will legislate to close down three corporation tax avoidance schemes involving financial products, with effect from 5 December 2012. (Finance Bill 2013)
Budget – March 2013	Stamp Duty Land Tax: Avoidance	**2.188 SDLT: avoidance** – The Government will introduce legislation in Finance Bill 2013 to put beyond doubt that certain SDLT avoidance schemes that abuse the transfer of rights rules do not work. These changes will have retrospective effect to 21 March 2012. (Finance Bill 2013)
Budget – March 2013	Inheritance Tax: limiting the deduction of liabilities	**2.193 IHT: limiting the deduction of liabilities** – The Government will legislate to close an IHT loophole that allows a deduction from the value of an estate for an outstanding debt regardless of whether or not the debts are paid after death, or how the borrowed funds have been used. (Finance Bill 2013)
Budget – March 2013	Loans from close companies to participators	**2.194 Close company loans to participators** – The Government will close three loopholes used to attempt to avoid the tax charge on loans from close companies to individuals with a share or interest in the company. This measure will have effect from 20 March 2013. (Finance Bill 2013)
Budget – March 2013	Transfer of assets abroad and gains on assets held by foreign companies	**2.195 Transfer of assets abroad and gains on assets held by foreign companies** – As announced on 5 December 2011, the Government will amend anti-avoidance legislation designed to protect the UK tax base. New exemptions from the regimes will have retrospective effect from 6 April 2012 but, exceptionally, in respect of the chargeable gains changes, a taxpayer may elect for the new rules to apply from 6 April 2013. Other changes to the transfer of assets abroad regime will take effect from 6 April 2013. (Finance Bill 2013)

Fiscal event	Measure title	Chapter text
Budget – March 2013	International agreements to improve tax compliance	**2.196 International agreements to improve tax compliance** – The Government will include legislation in Finance Bill 2013 to implement the UK-US Agreement to Improve International Tax Compliance and to Implement FATCA. (Finance Bill 2013) Final Regulations will be issued shortly. The Isle of Man, Guernsey and Jersey have agreed to enter into similar automatic exchange agreements with the UK. HMRC has set up disclosure facilities with the Isle of Man, Guernsey and Jersey to allow investors to come forward and regularise their past tax affairs in advance of information being automatically exchanged.
Budget – March 2013	Trade and property business deductions	**2.216 Trade and property business deductions** – As announced on 21 December 2012, the Government will introduce targeted anti-avoidance rules to the income tax and corporation tax provisions governing the relationship between rules prohibiting and allowing deductions, with effect from 21 December 2012. (Finance Bill 2013)
Budget – March 2013	Corporation 'loss buying'	**2.220 Corporate 'loss buying'** – The Government will introduce targeted anti-abuse rules, with immediate effect, to prevent companies entering into arrangements with unconnected third parties where the potential to create corporate losses are bought and then relieved against profits unconnected from the activity from which they arose. (Finance Bill 2013)
Budget – March 2013	Lifting the Lid on Tax Avoidance: next steps	**2.221 Lifting the Lid on Tax Avoidance: next steps** – As announced on 11 December 2012 legislation is being introduced in Finance Bill 2013 to improve the information collected under the Disclosure of Tax Avoidance Schemes regime. Regulations will be made later on in 2013. (Finance Bill 2013)
Budget – March 2013	Review of two areas of partnership tax rules	**2.222 Review of two areas of partnership tax rules where tax is being lost** – Following on from the announcement made at Autumn Statement 2012 to review partnerships as a high risk area of the tax code, this measure confirms consultation on legislation to counter the use of limited liability partnerships to disguise employment relationships and the artificial allocation of profit/loss to secure tax advantages. (Finance Bill 2014)
Budget – March 2013	Loopholes involving corporation tax loss relief rules	**2.223 Loopholes involving corporation tax loss relief rules** – The Government will close down three loopholes, with immediate effect, within the corporation tax loss relief rules, which have enabled companies to access relief for losses either more quickly or in ways contrary to the underlying principles of the legislation. (Finance Bill 2013)
Budget – March 2013	Penalties in avoidance cases	**2.224 Penalties in avoidance cases** – This measure announces a consultation on a penalties-based approach to taxpayers who fail to settle with HMRC in circumstances where an avoidance scheme has been defeated in another party's litigation through the courts. (Finance Bill 2014)

Fiscal event	Measure title	Chapter text
Autumn Statement – December 2013	Avoidance schemes: using derivatives (total return swaps)	**Autumn Statement – December 2013:** **2.116 Avoidance scheme using Total Return Swaps** – The government will close down a tax avoidance scheme, with immediate effect, which has enabled companies to pay their profits to a company in the same group located overseas, thus escaping a corporation tax liability. (Finance Bill 2014) **Budget – March 2014:** **2.198 Avoidance scheme using total return swaps –** As announced at Autumn Statement 2013, the government will legislate to close down a tax avoidance scheme using derivative contracts which has enabled companies to pay their profits to a company in the same group located overseas, thus escaping a corporation tax liability. This will have effect from 5 December 2013. (Finance Bill 2014)
Autumn Statement – December 2013	Double Taxation Relief: closing loopholes	**2.119 Double taxation relief: closing loopholes** – The government will, with immediate effect from 5 December 2013, close 2 loopholes to reinforce the UK's double taxation relief policy that relief for foreign tax should only be given where income has been doubly taxed, once in the UK and once in the foreign territory. (Finance Bill 2014)
Autumn Statement – December 2013	Controlled foreign companies: profit shifting	**2.121 Controlled foreign companies (CFCs): profit shifting** – The government will, with immediate effect from 5 December 2013, make changes to the CFCs rules to address the transfer offshore of profits from existing UK intra-group lending, and also make a simple legislative fix to ensure the rules work as intended (Finance Bill 2014)
Autumn Statement – December 2013	Dual Contracts	**Autumn Statement – December 2013:** **2.126 Artificial use of dual contracts by non-domiciles** – The government will legislate to prevent a small number of high-earning, non-domiciled individuals from avoiding tax through the artificial division of the duties of employment between the UK and overseas. From April 2014, UK tax will be levied on the full employment income where a comparable level of tax is not payable overseas on the overseas contract. (Finance Bill 2014) **Budget – March 2014:** **2.196 Dual contracts –** As announced at Autumn Statement 2013, the government will legislate to prevent a small number of high earning non-domiciled individuals from avoiding tax by artificially dividing the duties of one employment between the UK and overseas. (Finance Bill 2014)
Autumn Statement – December 2013	Compensating Adjustments	**2.127 Compensating adjustments** – As announced on 25 October 2013, the government will introduce legislation, with effect from 25 October 2013, to prevent abuse of the rules relating to compensating adjustments in the transfer pricing code. (Finance Bill 2014)

Fiscal event	Measure title	Chapter text
Autumn Statement – December 2013	Onshore employment intermediaries: false self-employment	Autumn Statement – December 2013: **2.129 Employment intermediaries facilitating false self-employment** – The government will amend existing legislation to prevent employment intermediaries being used to avoid employment taxes by disguising employment as self employment. The government will consult on strengthening existing legislation to ensure the correct amount of tax and NICs are paid where the worker is, in effect, employed, with effect from April 2014. (Finance Bill 2014) Budget – March 2014: **2.194 Employment intermediaries facilitating false self-employment** – As announced at Autumn Statement 2013, the government will amend existing legislation to prevent employment intermediaries being used to avoid employment taxes by disguising employment as self-employment, with effect from April 2014. (Finance Bill 2014)
Autumn Statement – December 2013	Automatic exchange of information agreements	**2.132 Automatic information exchange agreements** – Since Budget 2013 the government has signed automatic tax information exchange agreements with the Isle of Man, Guernsey, Jersey, the Cayman Islands, Gibraltar, Bermuda, Montserrat, the Turks and Caicos Islands and the British Virgin Islands.
Autumn Statement – December 2013	Accelerated payments in follower cases	**2.139 Accelerated tax payment in avoidance cases** – In addition to introducing a new regime of follower penalties, the government will remove the cash advantage from sitting and waiting during a tax avoidance dispute by issuing new 'pay now' notices to taxpayers. These will initially be issued to taxpayers who are using tax avoidance schemes which have already been defeated in the courts. The government will also consult on the scope for widening the criteria for 'pay now' notices. (Finance Bill 2014)
Budget – March 2014	Business Premises Renovation Allowance	**2.111 Business premises renovation allowance (BPRA)** – Following a review of the BPRA, the government will make changes to simplify the scheme, make it more certain in its application and to reduce the risk of exploitation, with effect from April 2014.
Budget – March 2014	UK oil and gas: bareboat chartering	**2.138 Oil and gas bareboat chartering** – As announced at Autumn Statement 2013, the government is concerned about the use of specialised lease payments, known as bareboat charters, to move significant taxable profit outside the UK tax net, and has been holding informal discussions with industry. The government will cap the amount deductible for these intra-group lease payments by companies that provide drilling services or accommodation vessels on the UK Continental Shelf. The cap will be 7.5% of the historical cost of the asset subject to the lease, increased from the 6.5% cap previously announced at Autumn Statement. The government will also introduce a new ring fence to protect the resulting revenue. The changes will apply from 1 April 2014. The government will review the impact of the measure following its first year of operation.

Fiscal event	Measure title	Chapter text
Budget – March 2014	VAT: reverse charge for gas and power	**2.177 VAT: reverse charge for gas and power** – The government will introduce a reverse charge for gas and power to prevent missing trader intra-community fraud in relation to those commodities. The change will be introduced through secondary legislation and the government will discuss the timing of introduction with the relevant industry bodies.
Budget – March 2014	Marketed tax avoidance schemes	**2.188 Marketed tax avoidance schemes** – Following a consultation that closed in February 2014, the government will legislate to provide that HMRC may issue a notice to the user of a tax avoidance scheme that they should settle their dispute with HMRC when the claimed tax effect has been defeated in other litigation. If the taxpayer does not settle they risk a penalty and must make upfront payment of the tax in dispute. Budget 2014 announces that the requirement to pay upfront will also apply to the disputed tax associated with any scheme that falls within the disclosure of tax avoidance scheme rules (DOTAS) and with schemes that HMRC counteracts under the general anti-abuse rule (GAAR). (Finance Bill 2014)
Budget – March 2014	Avoidance schemes using the transfer of corporate profits	**2.199 Avoidance schemes involving the transfer of corporate profits** – The government will close down tax avoidance schemes, with immediate effect, involving other arrangements to transfer profits to a related company where the arrangements have a main purpose of securing a tax advantage. (Finance Bill 2014)
Autumn Statement – December 2014	Diverted profits tax (DPT)	**2.142 Diverted Profits Tax** – The government will introduce a new tax to counter the use of aggressive tax planning techniques used by multinational enterprises to divert profits from the UK. The Diverted Profits Tax will be applied using a rate of 25% from 1 April 2015. (Finance Bill 2015)
Autumn Statement – December 2014	Corporation tax: country-by-country reporting	**2.143 Country-by-country reporting** – The government will introduce legislation that gives the UK the power to implement the Organisation for Economic Co-operation and Development (OECD) model for country-by-country reporting. The new rules will require multinational enterprises to provide high level information to HMRC on their global allocation of profits and taxes paid, as well as indicators of economic activity in a country. (Finance Bill 2015)
Autumn Statement – December 2014	Tackling hybrid mismatches	**Autumn Statement – December 2014:** **2.144 Consultation on addressing hybrid mismatch arrangements** – The government will consult on the UK's plans for implementing agreed OECD rules for addressing hybrid mismatch arrangements. The new rules will prevent multinational enterprises avoiding tax through the use of certain cross-border business structures or finance transactions. **Budget – March 2016:** **2.98 Addressing hybrid mismatches** – Following consultation, the government will introduce rules for addressing hybrid mismatch arrangements from 1 January 2017. The new rules will prevent multinational enterprises avoiding tax through the use of certain cross-border business structures or finance transactions. (Finance Bill 2016)

Fiscal event	Measure title	Chapter text
Autumn Statement – December 2014	Corporation Tax: restricting relief for goodwill	**Autumn Statement – December 2014:** **2.146 Corporation Tax: restricting unfair tax advantages on incorporation** – The government will restrict the Corporation Tax relief a company may obtain for the acquisition of the reputation and customer relationships associated with a business ('goodwill') when the business is acquired from a related individual or partnership. This will affect acquisitions on or after 3 December 2014. (Finance Bill 2015) **Budget – March 2015:** **2.125 Corporation Tax: restricting relief for goodwill** – As announced at Autumn Statement 2014, the government will restrict the Corporation Tax relief a company may obtain for the acquisition of the reputation and customer relationships associated with a business ('goodwill'), including customer information, when the business is acquired from a related individual or partnership. This will affect acquisitions on or after 3 December 2014. (Finance Bill 2015)
Autumn Statement – December 2014	Accelerated payments and group relief	**Autumn Statement – December 2014:** **2.149 Accelerated payments and group relief** – The government will introduce legislation to ensure that the accelerated payments legislation works effectively where avoidance arrangements give rise to losses surrendered as group relief. (Finance Bill 2015) **Budget – March 2015:** **2.208 Accelerated Payments group relief –** As announced at Autumn Statement 2014, the government will introduce legislation to ensure that the Accelerated Payments legislation works effectively where avoidance arrangements give rise to losses surrendered as group relief. (Finance Bill 2015)
Autumn Statement – December 2014	Income tax: miscellaneous losses	**2.151 Miscellaneous loss relief** – The government will legislate to counter the avoidance of Income Tax through miscellaneous loss relief by introducing anti-avoidance rules from 3 December 2014. From 6 April 2015 it will also limit the miscellaneous income against which a miscellaneous loss can be claimed. (Finance Bill 2015)
Autumn Statement – December 2014	Special purpose schare schemes	**Autumn Statement – December 2014:** **2.152 Special purpose share schemes** – The government will legislate to remove the unfair tax advantage provided by special purpose share schemes, commonly known as 'B share schemes'. From 6 April 2015 all returns made to shareholders through such a scheme will be taxed in the same way as dividends. (Finance Bill 2015) **Budget – March 2015:** **2.213 Special purpose share schemes** – As announced at Autumn Statement 2014, the government will legislate to remove the unfair tax advantage provided by special purpose share schemes, commonly known as 'B share schemes'. From 6 April 2015 all returns made to shareholders through such a scheme will be taxed in the same way as dividends. (Finance Bill 2015)

Fiscal event	Measure title	Chapter text
Autumn Statement – December 2014	Investment managers: disguised fee income	**2.153 Investment managers: disguised fee income** – The government will introduce legislation, effective from 6 April 2015, to ensure that sums which arise to investment fund managers for their services are charged to Income Tax. It will affect sums which arise to managers who have entered into arrangements involving partnerships or other transparent vehicles, but not sums linked to performance, often described as 'carried interest', nor returns which are exclusively from investments by partners. (Finance Bill 2015)
Autumn Statement – December 2014	Strengthening civil deterrents for offshore tax evasion	**2.155 Strengthening civil deterrents for offshore tax evasion** – Following consultation, the government will introduce legislation on enhanced civil penalties for offshore tax evasion. This will amend the existing offshore penalties regime to: • include IHT • apply to domestic offences where the proceeds of non-compliance are hidden offshore • update the territory classification system to reflect the jurisdictions that adopt the new global standard of automatic tax information exchange • include a new aggravated penalty of up to a further 50% for moving hidden funds to circumvent international tax transparency agreements The changes will come into effect from April 2016, except for the aggravated penalty which will come into effect following Royal Assent. (Finance Bill 2015)
Autumn Statement – December 2014	DOTAS regime changes	**2.161 Disclosure of Tax Avoidance Schemes regime changes** – Following consultation the government will legislate to strengthen the DOTAS regime, including through updating existing scheme hallmarks, adding new hallmarks, and removing 'grandfathering' provisions for the future use of schemes that were excluded by those provisions. (Finance Bill 2015)
Budget – March 2015	Employment intermediaries: travel and subsistence (umbrella companies)	**2.79 Employment Intermediaries: travel and subsistence (umbrella companies)** – The government will consult on detailed proposals to restrict tax relief for travel and subsistence for workers engaged through an employment intermediary, such as an umbrella company or a personal service company, and under the supervision, direction and control of the end user. This follows a discussion paper published shortly after Autumn Statement 2014 on employment intermediaries and travel and subsistence relief. The changes will take effect from 6 April 2016 and will be legislated for in a future Finance Bill.
Budget – March 2015	Capital Gains Tax entrepreneurs' relief: contrived ownership arrangements	**2.96 Capital Gains Tax entrepreneurs' relief: contrived structures** – The government will deny entrepreneurs' relief (ER) on the disposal of shares in a company that is not a trading company in its own right. The government will also prevent individuals from claiming ER on the disposal of personal assets used in a business carried on by a company or a partnership, unless they are disposed of in connection with a disposal of at least a 5% shareholding in the company, or a 5% share in the partnership assets. This affects disposals on or after 18 March 2015. (Finance Bill 2015)

Fiscal event	Measure title	Chapter text
Budget – March 2015	Anti-illicit tobacco package	**2.149 Anti-illicit tobacco package** – The government will introduce a package of measures to tackle the illicit tobacco trade, including: • establishing a cross-government ministerial group to oversee future evolution of the anti-illicit tobacco strategy • introducing a registration scheme for users and dealers in raw tobacco with a technical consultation on the design and scope of the scheme (Future Finance Bill) • an informal targeted consultation with other departments, law enforcement agencies, legitimate business and health groups on sanctions • HMRC will commission academic research to provide evidence to galvanise action on the international stage
Budget – March 2015	Tobacco anti-forestalling restrictions	**2.150 Tobacco anti-forestalling restrictions** – The government will be introducing measures to tighten tobacco anti-forestalling rules and apply penalties for non-compliance, in order to prevent tax avoidance. The measures will apply to forestalling behaviour ahead of Budget 2016 and beyond. (Finance Bill 2015)
Budget – March 2015	Implementation of the Common Reporting Standard	**2.196 Laying of regulations to implement the Automatic Exchange of Information Agreements** – The government will lay the regulations to implement the UK's Automatic Exchange of Information Agreements and adopt the updated EU Directive on Administrative Co-operation shortly after Budget 2015.
Budget – March 2015	Worldwide disclosure facility	**2.197 Common Reporting Standard: new disclosure facility** – In advance of the receipt of data under the Common Reporting Standard in 2017, the government will offer a new time limited disclosure facility from 2016 to mid-2017 on less generous terms than existing facilities.
Budget – March 2015	Corporation Tax loss refresh prevention	**2.210 Corporation Tax loss refresh prevention** – The government will introduce anti-avoidance legislation, effective from 18 March 2015, to prevent companies from obtaining a tax advantage by entering contrived arrangements to turn historic tax losses of restricted use into more versatile in-year deductions. (Finance Bill 2015)
Budget – March 2015	Capital Allowances: connected parties, or sale and leaseback transactions	**2.211 Capital Allowances** – As announced on 26 February 2015, the government will introduce legislation, with effect from 26 February 2015, to clarify the effect of capital allowances anti-avoidance rules where there are transactions between connected parties or sale and leaseback transactions. (Finance Bill 2015)

Fiscal event	Measure title	Chapter text
Summer Budget – July 2015	Carried interest	**1.177 The government will stop investment fund managers from using tax loopholes to avoid paying the correct amount of capital gains tax (CGT) on the profits of the fund payable to them (known as carried interest).** This measure will have immediate effect by requiring taxpayers who receive carried interest to pay the full 28% CGT charge on their award. Asset managers will no longer be able to use tax planning to reduce the value of the gain. The government continues to support the asset management industry in the UK, and considers that carried interest should be subject to CGT, as it reflects the underlying long term performance of a fund's investments.
Summer Budget – July 2015	VAT on services used and enjoyed in the UK	**2.136 VAT on services used and enjoyed in the UK** – The government will apply VAT 'use and enjoyment' provisions so that from next year, it will be clear that all UK repairs made under UK insurance contracts will be subject to VAT in the UK. In addition, the government will consider a wider review of off-shore based avoidance in VAT exempt sectors, with a view to introducing additional use and enjoyment measures for services such as advertising in the following year.
Summer Budget – July 2015	Hidden economy: extending HMRC data powers	**2.172 Tackling the hidden economy** – The government will extend HMRC's powers to acquire data from online intermediaries and electronic payment providers to find those operating in the hidden economy. We will legislate at Finance Bill 2016 to achieve this, following a consultation on the detail. We will invest in new HMRC investigators from 2016 to exploit this data. The government will also create a digital disclosure channel which makes it simple for taxpayers to disclose unpaid tax liabilities. (Finance Bill 2016)
Summer Budget – July 2015	Promoters of Tax Avoidance Schemes (POTAS) thresholds	**Summer Budget – July 2015:** **2.174 Serial avoiders** – The government will publish a consultation, ahead of introducing legislation in Finance Bill 2016, for serial avoiders who persistently enter into tax avoidance schemes which are defeated. These include a special reporting requirement and a surcharge on those whose latest tax return is inaccurate as a result of a further defeated avoidance scheme, restricting access to reliefs for the minority who have a record of trying to abuse them, and developing further measures to name serial avoiders. The scope of the Promoters of Tax Avoidance Schemes regime would be widened by bringing in promoters whose schemes are regularly defeated. (Finance Bill 2016) **Autumn Statement – November 2015:** **3.83 Serial Avoiders** – The government will introduce tough new measures for those who persistently enter into tax avoidance schemes that are defeated by HMRC. These include a special reporting requirement and a surcharge on those whose latest return is inaccurate due to use of a defeated scheme, the names of such avoiders being published and, for those who persistently abuse reliefs, restrictions on them accessing certain tax reliefs for a period. The government is also widening the Promoters of Tax Avoidance Schemes (POTAS) regime, by bringing in promoters whose schemes are regularly defeated by HMRC. (Finance Bill 2016)

Fiscal event	Measure title	Chapter text
Summer Budget – July 2015	New requirement that large businesses publish their tax strategies and special measures powers to tackle a minority of large businesses that persistently engage in aggressive tax planning	Summer Budget – July 2015: **2.176 Large business tax compliance** – The government will invest additional resources in large business compliance work to further extend our efforts to tackle evasion, avoidance and aggressive tax planning by large businesses. The government will also consult on new measures to increase compliance and tax transparency in relation to large business tax strategies. These will include the introduction of a 'special measures' regime to tackle businesses that persistently adopt highly aggressive behaviours including around tax planning, and a voluntary Code of Practice defining the standards HMRC expects large businesses to meet in their relationship with HMRC. Budget – March 2016: **2.93 Large Business: Requirement to publish tax strategies** – At Summer Budget 2015, the government announced new measures to improve large business tax compliance, with a consultation over the summer to refine the detail of the measures. Following consultation, the government will introduce new measures to improve large business tax compliance, including a new requirement that large businesses publish their tax strategies and special measures powers to tackle a minority of large businesses that persistently engage in aggressive tax planning. (Finance Bill 2016)
Summer Budget – July 2015	Controlled Foreign Companies – loss relief restriction	**2.177 Controlled Foreign Companies (CFC) loss relief restriction** – The government will remove the ability for companies to use UK losses and reliefs against a CFC charge from 8 July 2015. This will improve the effectiveness of the CFC regime in both deterring the diversion of profits and in taxing any profits that are diverted. (Summer Finance Bill 2015)
Summer Budget – July 2015	Corporation Tax - intergroup transfers	**2.178 Disposal of stock other than in trade** – The government will amend legislation relating to trading stock and intangible assets, to ensure that disposals made other than in the normal course of business are brought into account for tax purposes at full open market value. This amendment will stop corporate groups from using a transfer pricing override to manipulate the value of assets in intergroup transfers. (Summer Finance Bill 2015)
Summer Budget – July 2015	Taxation of carried interest	**2.179 Taxation of carried interest: Base cost shifting and cherry picking** – The government will introduce legislation, effective from 8 July 2015, to ensure that sums which arise to investment fund managers by way of carried interest will be charged to the full rate of capital gains tax, with only limited deductions being permitted. The government will also launch a consultation to better understand the activities of collective investment schemes, to determine under what circumstances performance returns should be taxed as a capital gain. It is not anticipated this will alter the tax treatment of carried interest. (Summer Finance Bill 2015)

Fiscal event	Measure title	Chapter text
Spending Review and Autumn Statement – November 2015	Stamp Duty and Stamp Duty Reserve Tax - Deep in the money options	**3.59 Stamp Duty and Stamp Duty Reserve Tax Deep In The Money Options (DITMOs)** – Shares transferred to a clearance service or depositary receipt issuer as a result of the exercise of an option will now be charged the 1.5% higher rate of stamp duty based on either their market value or the option strike price, whichever is higher. This will prevent avoidance using DITMOs, which are options with a strike price significantly below (for call options) or above (for put options) market value. Share transfers made other than to a clearance service or depositary receipt system as a result of exercising an option will be unaffected. The change will apply to options which are entered into on or after 25 November 2015 and exercised on or after Budget 2016. (Finance Bill 2016)
Spending Review and Autumn Statement – November 2015	A new criminal offence for tax evasion	**3.77 A new criminal offence for tax evasion** – The government will introduce a new criminal offence that removes the need to prove intent for the most serious cases of failing to declare offshore income and gains. (Finance Bill 2016)
Spending Review and Autumn Statement – November 2015	New civil penalties for offshore tax evaders	**3.78 New civil penalties for offshore tax evaders** – The government will increase civil penalties for deliberate offshore tax evasion, including the introduction of a new penalty linked to the value of the asset on which tax was evaded and increased public naming of tax evaders. (Finance Bill 2016)
Spending Review and Autumn Statement – November 2015	New civil penalties for the enablers of offshore tax evasion	**3.79 New civil penalties for those who enable offshore evasion** – The government will introduce civil penalties for those who enable offshore tax evasion, including public naming of those who have enabled the evasion. (Finance Bill 2016)
Spending Review and Autumn Statement – November 2015	A new criminal offence for corporates failing to prevent tax evasion	**3.80 A new criminal offence for corporates failing to prevent tax evasion** – The government will introduce a new criminal offence for corporates which fail to prevent their agents from criminally facilitating tax evasion by an individual or entity.
Spending Review and Autumn Statement – November 2015	Offshore evasion: Requirement to correct past offshore tax non-compliance	**Spending Review and Autumn Statement – November 2015:** **3.81 An additional requirement to correct past offshore tax non-compliance** – The government will consult on an additional requirement for individuals to correct any past offshore non-compliance with new penalties for failure to do so. **Autumn Statement – November 2016:** **4.53 Requirement to correct** – The government will introduce a new legal requirement to correct a past failure to pay UK tax on offshore interests within a defined period of time, with new sanctions for those who fail to do so.

Fiscal event	Measure title	Chapter text
Spending Review and Autumn Statement – November 2015	GAAR penalties	**3.84 General Anti-Abuse Rule (GAAR)** – The government will introduce a new penalty of 60% of tax due to be charged in all cases successfully tackled by the GAAR. The government will also make small changes to the way the GAAR works to improve its ability to tackle marketed avoidance schemes. (Finance Bill 2016)
Spending Review and Autumn Statement – November 2015	Company distributions	**3.85 Company distributions** – The government will publish a consultation on the rules concerning company distributions later in the year. The government will also amend the Transactions in Securities rules and introduce a Targeted Anti-Avoidance Rule in order to prevent opportunities for income to be converted to capital in order to gain a tax advantage. (Finance Bill 2016)
Spending Review and Autumn Statement – November 2015	Capital allowances and leasing - reducing avoidance	**3.86 Capital allowances and leasing** – With effect from 25 November 2015, the government will amend legislation to counter 2 types of avoidance involving capital allowances and leasing. These changes will prevent companies from artificially lowering the disposal value of plant and machinery for capital allowances purposes, and make any payment received for agreeing to take responsibility for tax deductible lease related payments subject to tax as income. (Finance Bill 2016)
Spending Review and Autumn Statement – November 2015	Corporation tax - intangible assets to related parties	**Spending review and Autumn Statement – November 2015** **3.89 Related Party Rules: partnerships and transfers of intangible assets** – The government will amend the intangible fixed asset rules to clarify the tax treatment on transfers of assets to partnerships. This change has immediate effect. It will ensure that partnerships cannot be used in arrangements that seek to obtain a tax relief for their corporate members in a way that is contrary to the intention of the regime. The government will also consider a review of the intangible assets regime as part of the Business Tax Roadmap. (Finance Bill 2016) **Budget – March 2016** **2.118 Related party rules – partnerships and transfers of intangible assets** – The government will amend the intangible fixed asset rules to clarify the tax treatment on transfers of assets to partnerships. It will ensure that partnerships cannot be used in arrangements that seek to obtain a tax relief for their corporate members in a way that is contrary to the intention of the regime. (Finance Bill 2016)
Budget – March 2016	Off payroll working in the public sector (IR35)	**2.40 Off payroll working in the public sector** – From April 2017 the government will make public sector bodies and agencies responsible for operating the tax rules that apply to off-payroll working through limited companies in the public sector. The rules will remain unchanged for those working in the private sector. The government will consult on a clearer and simpler set of tests and online tools. (Finance Bill 2017)

Fiscal event	Measure title	Chapter text
Budget – March 2016	Disguised remuneration: avoidance	**2.49 Disguised remuneration schemes** – The government will introduce a package of measures to tackle the current and historic use of disguised remuneration schemes, which are used to avoid income tax and NICs. Legislation will be included in Finance Bill 2016 which will prevent a relief in the existing legislation from applying where it is used as part of a tax avoidance scheme from Budget day (16 March 2016). The government will hold a technical consultation on further changes to the legislation which will be included in a future Finance Bill. This will include a new charge on loans paid through disguised remuneration schemes which have not been taxed and are still outstanding on 5 April 2019. HMRC have published a technical note explaining these changes alongside Budget. (Finance Bill 2016 and Finance Bill 2017)
Budget – March 2016	Offshore property developers	**2.94 Offshore property developers** – This measure ensures that profits from trading in UK land are always subject to UK tax by introducing specific rules to tax the full amount of such profits whether or not the person to whom they arise is UK resident. Legislation for this measure will be introduced at a later stage of Finance Bill 2016, following a brief consultation. (Finance Bill 2016)
Budget – March 2016	Withholding Tax on royalties	**2.96 Royalty withholding tax** – The government will change the deduction of tax at source regime to bring all international royalty payments arising in the UK within the charge to income tax, unless those taxing rights have been given up under a double taxation agreement or the EU Interest and Royalties Directive. This brings the UK more into line with international practice. The reform has three parts: • UK withholding tax will apply to a wider definition of royalty payments • the UK will create a domestic anti-treaty abuse provision which will prevent, for instance, royalty payments being paid to tax havens without deduction of tax via the use of conduit companies • the UK will ensure that withholding tax will apply to payments that are attributable to a UK permanent establishment, even if the payment of the royalty is not made from the UK (Finance Bill 2016)
Budget – March 2016	BEPS - interest restriction - structural rule	**2.97 Tax deductibility of corporate interest expenses** – Following initial consultation, the government will introduce rules for addressing base erosion and profit shifting through interest expenses from 1 April 2017 in line with the OECD recommendations. The new rules will limit the tax relief that large multinational enterprises can claim for their interest expenses. More information is included in the government's Business Tax Roadmap published at Budget. (Finance Bill 2017)
Budget – March 2016	Trading income received in non-monetary form	**2.106 Trading income received in non-monetary form** – The government will introduce legislation to ensure that trading receipts in non-monetary form are brought into account for tax purposes at their full value. (Finance Bill 2016)
Budget – March 2016	Penalty for transactions connected with VAT fraud etc	**2.145 VAT: consultation on penalty for participating in VAT fraud** – The government will consult on a new penalty for participating in VAT fraud in spring 2016. Subject to the consultation, the intention is to legislate in Finance Bill 2017.

Fiscal event	Measure title	Chapter text
Budget – March 2016	Tackling Online Fraud in Goods (VAT) - VAT Reps and e-Platform Liability	**2.146 VAT: tackling online fraud in goods – VAT representatives and online marketplace liability** – The government will legislate to provide HMRC with strengthened powers for directing the appointment of a VAT representative and greater flexibility in respect of seeking a security, and enable HMRC to hold an online marketplace jointly and severally liable for the unpaid VAT of an overseas business that sells goods in the UK via the online marketplace's website. (Finance Bill 2016)
Budget – March 2016	Tackling Online Fraud in Goods (VAT) - Fulfilment Houses Registration Scheme	**2.147 VAT: Fulfilment House Due Diligence Scheme** – The government has published a consultation on the 'fit and proper' standards that fulfilment houses will need to meet in order to operate. Fulfilment houses will have an obligation to register and maintain accurate records once online registration opens in 2018. They will also have to provide evidence of the due diligence they have undertaken to ensure overseas clients are following VAT rules. The consultation will be used to minimise as far as possible any costs for legitimate businesses.
Budget – March 2016	VAT: reverse charge on 'airtime' services	**2.150 VAT: reverse charge on 'airtime' services** – With effect from 1 February 2016, the government introduced an anti-fraud measure to prevent Missing Trader Intra-Community fraud on wholesale supplies of electronic communications services. This was done by Treasury Order which was laid before the House on 11 January 2016.
Budget – March 2016	Disclosure of tax avoidance schemes: VAT and other indirect taxes (DASVOIT)	**Budget – March 2016:** **2.204 Tackling marketed tax avoidance** – The government will: • consult during the summer on updating the VAT Disclosure of Schemes Regime (VADR), including by extending coverage to other indirect taxes and by alignment with the Disclosure of Tax Avoidance Schemes regime **Autumn Statement – November 2016: Tax updates and technical changes:** **6.1 Updating the VAT Avoidance Disclosure Regime** As announced at Budget 2016 and following consultation, legislation will be introduced in Finance Bill 2017 to strengthen the regime for disclosure of avoidance of indirect tax. Provision will be made to make scheme promoters primarily responsible for disclosing schemes to HMRC and the scope of the regime will be extended to include all indirect taxes. This will have effect from 1 September 2017.
Autumn Statement – November 2016	Disguised remuneration	**4.46 Disguised remuneration schemes** – Budget 2016 announced changes to tackle use of disguised remuneration schemes by employers and employees. The government will now extend the scope of these changes to tackle the use of disguised remuneration avoidance schemes by the self-employed. This will ensure that self-employed users of these schemes pay their fair share of tax and National Insurance.
Autumn Statement – November 2016	Disguised remuneration	**4.47 Disguised remuneration schemes** Further, the government will take steps to make it less attractive for employers to use disguised remuneration avoidance schemes, by denying tax relief for an employer's contributions to disguised remuneration schemes unless tax and National Insurance are paid within a specified period.

Fiscal event	Measure title	Chapter text
Autumn Statement – November 2016	New penalty for enablers of tax avoidance	**4.48 Strengthening tax avoidance sanctions and deterrents** – As signalled at Budget 2016, to provide a strong deterrent to those enabling tax avoidance, **the government will introduce a new penalty for any person who has enabled another person or business to use a tax avoidance arrangement that is later defeated by HMRC.** This new regime will reflect an extensive consultation and input from stakeholders and details will be published in draft legislation shortly. The government will also remove the defence of having relied on non-independent advice as taking 'reasonable care' when considering penalties for any person or business that uses such arrangements.
Autumn Statement – November 2016	Penalties for "reasonable care"	**4.48 Strengthening tax avoidance sanctions and deterrents** – As signalled at Budget 2016, to provide a strong deterrent to those enabling tax avoidance, the government will introduce a new penalty for any person who has enabled another person or business to use a tax avoidance arrangement that is later defeated by HMRC. This new regime will reflect an extensive consultation and input from stakeholders and details will be published in draft legislation shortly. **The government will also remove the defence of having relied on non-independent advice as taking 'reasonable care' when considering penalties for any person or business that uses such arrangements.**
Autumn Statement – November 2016	VAT relief on substantially and permanently adapted motor vehicles	**4.50 Tackling exploitation of the VAT relief on adapted cars for wheelchair users** – The government will clarify the application of the VAT zero-rating for adapted motor vehicles to stop the abuse of this legislation, while continuing to provide help for disabled wheelchair users.
Autumn Statement – November 2016	VAT Flat Rate Scheme	**4.51 VAT Flat Rate Scheme** – The government will introduce a new 16.5% rate from 1 April 2017 for businesses with limited costs, such as many labour-only businesses. This will help level the playing field, while maintaining the accounting simplification for the small businesses that use the scheme as intended. Guidance which has the force of law, published today, will introduce anti-forestalling provisions.
Autumn Statement – November 2016	HMRC's data-gathering powers	**4.55 Hidden economy and money service businesses** – The government will legislate to extend HMRC's data-gathering powers to money service businesses in order to identify those operating in the hidden economy.
Spring Budget – March 2017	Elections in relation to assets appropriated to trading stock	**3.45 Tax treatment of appropriations to trading stock** – The government will remove the ability for businesses to convert capital losses into trading losses from 8 March 2017. This will eliminate an unfairness in the tax code which is being exploited by certain businesses.
Spring Budget – March 2017	Qualified Recognised Overseas Pension Schemes (QROPS)	**3.46 Qualifying recognised overseas pension schemes (QROPS): introduction of transfer charge** – The government will introduce a 25% charge on transfers to QROPS. This charge is targeted at those seeking to reduce the tax payable by moving their pension wealth to another jurisdiction. Exceptions will apply to the charge allowing transfers to be made tax-free where people have a genuine need to transfer their pension, including when the individual and the pension are both located within the European Economic Area.

Fiscal event	Measure title	Chapter text
Spring Budget – March 2017	VAT: Use and enjoyment provisions for business to consumer mobile phone services	**3.47 VAT: Use and enjoyment provisions for business to consumer mobile phone services** – The government will remove the VAT use and enjoyment provisions for business to consumer mobile phone services to individuals. This will resolve the inconsistency where UK VAT is applied to mobile phone use by UK residents when in the EU, but not when outside the EU. It will also ensure mobile phone companies cannot use the inconsistency to avoid UK VAT. This will bring UK VAT rules into line with the internationally agreed approach.

1. This table includes the measures the government has announced to tackle tax avoidance, evasion, non-compliance and aggressive tax planning between Summer Budget 2010 and Spring Budget 2017.
2. The text in the table is set out as it originally appeared in the main document to the relevant fiscal event (Budget, Autumn Statement, or Spending Review).
3. Where an announcement of a consultation or call for evidence was followed by confirmation of a specific policy in a later fiscal event, the announcements have been grouped together, and counted as a single measure.
4. Where a measure has been implemented and then amended at a subsequent fiscal event, for example to broaden the scope or operation of the measure, there are separate measures listed and these are counted as multiple measures.

Table 1.B: Measures to tackle tax avoidance, evasion, other forms of non-compliance and aggressive tax planning: Autumn Budget – November 2017

Fiscal event	Measure title	Chapter text
Autumn Budget – November 2017	Withholding tax: royalties	**3.34 Withholding tax: royalties** – With effect from April 2019, withholding tax obligations will be extended to royalty payments, and payments for certain other rights, made to some low or no tax jurisdictions in connection with sales to UK customers. The rules will apply regardless of where the payer is located.
Autumn Budget – November 2017	Tackling waste crime	**3.51 Tackling waste crime** – From the 1 April 2018, operators of illegal waste sites will become liable for Landfill Tax, and those who continue to flout the rules will face tough civil and criminal sanctions. This follows a positive response to the consultation announced at Spring Budget 2017.
Autumn Budget – November 2017	Requirement to notify HMRC of offshore structures	**3.66 Requirement to notify HMRC of offshore structures** – The government will publish a consultation response on the proposed requirement for designers of certain offshore structures, that could be misused to evade taxes, to notify HMRC of these structures and the clients using them. This work will be taken forward in conjunction with the OECD and EU.
Autumn Budget – November 2017	Extending offshore time limits	**3.67 Extending offshore time limits** – Assessment time limits for non-deliberate offshore tax non-compliance will be extended so that HMRC can always assess at least 12 years of back taxes without needing to establish deliberate non-compliance, following a consultation in spring 2018.
Autumn Budget – November 2017	VAT fraud in labour provision in the construction sector	**3.68 VAT fraud in labour provision in the construction sector** – Following a consultation into options for tackling fraud in construction labour supply chains, the government will introduce a VAT domestic reverse charge to prevent VAT losses. This will shift responsibility for paying VAT along the supply chain to remove the opportunity for it to be stolen. Changes will have effect on and after 1 October 2019. The long lead-time reflects responses to the consultation and the government's commitment to give businesses adequate time to prepare for the change.
Autumn Budget – November 2017	Hidden economy – conditionality	**3.69 Hidden economy – conditionality** – The government will consult further on how to make the provision of some public sector licences conditional on being properly registered for tax. This would make it more difficult to trade in the hidden economy, helping to level the playing field for compliant businesses.
Autumn Budget – November 2017	Profit fragmentation	**3.72 Profit fragmentation** – The government will consult in 2018 on the best way to prevent UK traders or professionals from avoiding UK tax by fragmenting their UK income between unrelated entities.
Autumn Budget – November 2017	Intangible fixed assets: related party step-up schemes	**3.73 Intangible fixed assets: related party step-up schemes** – The Intangible Fixed Asset rules will be updated with immediate effect, so that a licence between a company and a related party in respect of intellectual property is subject to the market value rule, and to ensure that the tax value of any disposal of a company's intangible assets is correct, even if the consideration is in something other than cash.
Autumn Budget – November 2017	Depreciatory Transactions	**3.74 Depreciatory Transactions** – The government will remove the 6-year time limit within which companies must adjust for transactions that have reduced the value of shares being disposed of in a group company. This will ensure that any losses claimed are in line with the actual economic loss to the group. This change will take effect for disposals of shares or securities in a company made on or after 22 November 2017.

Fiscal event	Measure title	Chapter text
Autumn Budget – November 2017	Double Taxation Relief	**3.76 Double Taxation Relief** – From 22 November 2017 a restriction will be introduced to the relief for foreign tax incurred by an overseas branch of a company, where the company has already received relief overseas for the losses of the branch against profits other than those of the branch. This ensures the company does not get tax relief twice for the same loss. The Double Taxation Relief targeted anti-avoidance rule will also be amended to remove the requirement for HMRC to issue a counteraction notice, and extend the scope to ensure it is effective.
Autumn Budget – November 2017	Online VAT fraud: extending powers to UK businesses	**3.78 Online VAT fraud: extending powers to UK businesses** – The government will legislate in Finance Bill 2017-18 to extend HMRC's powers to hold online marketplaces jointly and severally liable (JSL) for the unpaid VAT of overseas traders on their platforms to include all (including UK) traders. This extension will help tackle the UK hidden economy and eliminate the risk of overseas traders establishing a UK shell company simply to escape the existing JSL regime. This will come into force on Royal Assent in the spring.
Autumn Budget – November 2017	Online VAT fraud: extending powers on overseas businesses	**3.79 Online VAT fraud: extending powers on overseas businesses** – The government will legislate in Finance Bill 2017-18 to extend HMRC's powers to hold online marketplaces JSL for any VAT that a non-UK business selling goods on their platforms fails to account for, where the business was not registered for VAT in the UK and that online marketplace knew or should have known that the business should be registered for VAT in the UK. This will come into force on Royal Assent in the spring
Autumn Budget – November 2017	Online VAT fraud: VAT number display	**3.80 Online VAT fraud: VAT number display** – The government will legislate in Finance Bill 2017-18 to require online marketplaces to ensure that VAT numbers displayed for businesses operating on their website are valid. They will also be required to display a valid VAT number when they are provided with one by a business operating on their platform. This will come into force on Royal Assent in the spring.
Autumn Budget – November 2017	Online VAT fraud: split payments	**3.81 Online VAT fraud: split payments** – To reduce online VAT fraud and improve how VAT is collected, the government is looking at a split payment model. Following the call for evidence launched at Spring Budget 2017, the government will publish a response in December.
Autumn Budget – November 2017	Encouraging compliance by users of digital platforms	**3.82 Encouraging compliance by users of digital platforms** – The government expects digital platforms to play a wider role in ensuring their users are compliant with the tax rules. The government will publish a call for evidence in spring 2018 to explore what more digital platforms can do to prevent non-compliance among their users.
Autumn Budget – November 2017	Faster recovery of Self-Assessment Debt	**3.86 Faster recovery of Self-Assessment Debt** – HMRC will use new technology to recover additional Self-Assessment debts in closer to real-time by adjusting the tax codes of individuals with Pay As You Earn (PAYE) income. These changes will take effect from 6 April 2019.
Autumn Budget – November 2017	Securing debt in insolvency: extension of security deposit legislation	**3.87 Securing debt in insolvency: extension of security deposit legislation** – The government will expand existing security deposit legislation to corporation tax and Construction Industry Scheme deductions. These changes will be legislated for in Finance Bill 2018-19 and take effect from 6 April 2019. The government will consult on the most effective means of introducing this change.

Fiscal event	Measure title	Chapter text
Autumn Budget – November 2017	Insolvency and phoenixism risks	**Overview of Tax Legislation and Rates (OOTLAR)** **2.68 Insolvency and phoenixism risks** – The government will explore further means for tackling the small minority of taxpayers who deliberately abuse the insolvency regime in trying to avoid or evade their tax liabilities, including through the use of phoenixism. A discussion document will be published in 2018.
This table includes the measures the government has announced to tackle tax avoidance, evasion, non-compliance and aggressive tax planning in the Autumn Budget 2017.		

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