



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

19 January 2018

Angela Knight and Paul Morton
Office of Tax Simplification
1 Horse Guards Road
London
SW1A 2HQ

Dear Angela & Paul

Office of Tax Simplification review of Inheritance Tax (IHT)

I am writing to acknowledge the OTS's recent interest in the inheritance tax regime. Inheritance tax, and the system within which it operates, is particularly complex, and I would like to request that the OTS carry out a review into the IHT regime. I would be most interested to hear any proposals you may have for simplification, to ensure that the system is fit for purpose and makes the experience of those who interact with it as smooth as possible.

The review should include a focus on the technical and administrative issues within IHT, such as the process of submitting returns and paying any tax due, as well as practical issues around routine estate planning and disclosure. It could also look at how current gifts rules interact with the wider IHT system, and whether the current framework causes any distortions to taxpayers' decisions surrounding transfers, investments and other relevant transactions

I look forward to agreeing the detail of the terms of reference in the coming weeks.

Thank you for your ongoing work in reviewing the tax system and striving to make it simpler, fairer and better.

PHILIP HAMMOND