

Administrative Burdens Advisory Board

5 August 2020

Minutes

Advisory Board attendees: Dame Teresa Graham, DBE (Chair), Roger Southam, John Whiting, Karen Thomson, Bill Dodwell, Paul Aplin, Grainne Warner, Rebecca Benneyworth, Malcolm Bacchus, Graham Rogers, Paul Morton, Violetta Parylo

HMRC & HMT attendees: Ruth Stanier, Lucy Pink, Jan Owens, Chloe Evenson, Anna Thomas, Lee Farrington, Ady Garrett, Hannan Parrish. Gill Evans, Madeline McGrillen, Barbara Matus,

Apologies: Colin Shingler, Jack Warrior, Wahida Begum,

1. Introduction

Teresa welcomed the ABAB Board Members and HMRC attendees to the meeting;

- Ruth Stanier- Director General, Lucy Pink- Director and Jan Owens- Deputy Director attending from Customer, Insight and Digital Design (CIDD)
- Gill Evans, Director EU Transition Team, who is attending her first ABAB Board meeting
- Lee Farrington- Deputy Director, Customer Readiness & External Stakeholder Team. Anna Thomas -Deputy Director, Strategic Policy & Design Team and Ady Garrett- Policy & Design Team have been regular attendees
- Hannah Parrish - Deputy Director, Operations, Strategy and Transformation, also attending her first ABAB Board meeting
- Apologies received from:
 - Colin Shingler- Customer Stakeholder Engagement Team is unable to attend due another meeting commitment.
 - Jack Warrior: Payrolling Benefits in Kind team who was hoping to have the technical detail he summarised at the May meeting worked through to share at this Board meeting. However due to COVID19 pressures on the policy teams this work was paused. Policy proposals will be ready to share with ABAB members at the November Board meeting, which Jack Warrior will attend.
- Action Log reviewed and May minutes agreed.

AP1: Add Payrolling Benefits in Kind to ABAB Forward Look for November Board Meeting

AP2: TG requested update at November meeting on Teams guest access.

2. EU Transition (EUTU)

Teresa welcomed GE to her first ABAB Board meeting and on her appointment as EUTU Director.

- End of December is the end of transition period.
- Planned a staged approach to imports/exports at end of December with full controls only in place for controlled goods as of January 2021.
- Customers can submit declarations up to 6 months later after transition period ends.

- Excise goods will need full declarations from beginning of January 2021, so this is priority for those impacted to understand what is needed Re: Guidance and steps needed leading up December 2020.
- We are working with stakeholders to show what steps they will need to take. With priority on what readiness looks like, focusing on customer journeys for traders and processes, working with Northern Irish traders.
- Communications and support packages are being put in place. NI protocol command paper was published in May, the Border Operating Model in July. A £50 million support package is in place to help small businesses and those inexperienced in Customs to put processes in place. Funding is there to boost intermediaries' market (recruitment, training, supplying IT). Guidance will be extensively updated, including navigation and accessibility.

ABAB feedback

- Could import tax be reported through Tax return rather than form C79
- UK Transition Working Group has been quiet as of late, but we know there is a lot going on and WG is ready and willing to support HMRC.
- Attention being put on GB/EU and not GB/NI and this is a worry.
- Will VAT Mini One Stop Shop (MOSS) continue? Currently there is a 10k exemption during transition.

AP3: GE will take RB's MOSS question offline and respond

AP4: Share update on UK Transition Working Group

3. Making Tax Digital for Business (MTD)

3a. Tax Administration Strategy - 'building a modern, trusted tax administration system' looking out over the next 10 years. Key elements are:

1. Extending MTD
2. Real time information
3. Timely Payments of Tax
4. Building a secure and easily accessible single tax account
5. Improving Services for Agents and Representatives
6. Modernising tax admin framework (simplifying and modernising the underpinning legislation)

HMRC will work with stakeholders to achieve the strategy in a collaborative way.

AP5 Add Tax Administration Strategy to ABAB Forward Look

3b. Making Tax Digital Expansion, Business Cost Impacts

This session focussed on the Admin burden estimates previously circulated.

- would expect admin burden to affect Nano and Micro businesses,
 - the cost to them is a major issue, (£20 a month) for them this is a large amount.
 - Clients fear online banking and are reluctant to take online banking, inhibits their ability to use online banking and link.
 - surprised by low limit on landlords, when landlords don't regard themselves business and don't see how this applies to them.
 - Pensioners many let out property, they don't have computers, or do online banking and do not communicate by email

- no business would have zero cost, some adaptation or training will cost
- figures won't be accepted by the public unless you find a way to articulate the discrepancy that for many businesses the figure may be marginal and for others the costs may be substantial e.g., small business needing to invest in a computer for first time.
- there is the potential to save a lot of money and time to make things better and on time, could we express that with these numbers to give people a more rounded impression and that there is a long-term benefit to this
- need collaboration and not focus only on admin burden, what do small businesses need from digitalisation
- promises were made to small businesses, around 'nudges' to ensure mistakes don't happen when recording during transition.
- would like to see Representative Bodies, SME's, working with Software Developers to overcome the digital barrier. And see this part of the conversation dominate, otherwise the cost argument may become political.
- Some examples provided about how MTD has been a benefit to business
- needs to ensure there are benefits to the consumer/taxpayer and not just the tax inspector

Ruth Stanier advised HMRC would collaborate on the next stages and encouraged ABAB to share any evidence to help analysts to firm up estimates

AP6: Add MTD Cost benefits to ABAB Forward Look to continue this collaboration

AP7: AG to share MTD information regarding inputs

4. AOB

- TG thanked John Whiting, Roger Southam and Paul Morton for their input into the 2020 Annual Report.
- Next scheduled Board Meeting 30 November 2020