

**MINUTES OF MEETING****Purpose: HMRC Tax Transparency Sector Board****Venue: 100 Parliament Street London SW1A 2BQ****Date / Time: Monday 25<sup>th</sup> February 2013 - 2-4pm**

<b>Attendees:</b>	<b>Apologies:</b>
<p><b>HMRC</b> Jonathan Athow - HMRC - Knowledge, Analysis and Intelligence (KAI) Mike Hawkins - HMRC - Knowledge, Analysis and Intelligence (KAI) Cindy Bell – HMRC - Central Policy Adrian Ball- HMRC - Security and Information Alec Waterhouse – HMRC - Personal Tax Bill Elmore – HMRC - KAI Data Policy &amp; Co-ordination Daniele Bega – HMRC - KAI Data Policy &amp; Co-ordination Ian Parfitt – HMRC - KAI Data Policy &amp; Co-ordination James Templeton – HMRC - Business Customer and Strategy</p> <p><b>Executive agencies</b> Colin Yeend - Valuation Office Agency (VOA) Melanie Bond - Valuation Office Agency (VOA)</p> <p><b>Other Government Departments</b> Ed Parkes - Cabinet Office (CO)</p> <p><b>Academia</b> Fiona Armstrong - Economic &amp; Social Research Council (ESRC)</p> <p><b>External representatives</b> Johanna Edwards – Equifax (EQU) Chris Taggart – Opencorporates (OC) Jonathan Shaw - Institute for Fiscal Studies (IFS) Keith Dugmore - Demographics User Group (DUG) Dominique Lazanski - Taxpayers Alliance (TPA) Rory Meakin - Taxpayers Alliance (TPA) Richard Baron - Institute of Directors (IOD)</p>	<p>Edward Troup Narmada de Silva Dyfed Alsop Judith Jones Peter Cummings Peter Fanning Professor Paul Boyle</p>

1. **Welcome and introductions** (Jonathan Athow - HMRC - Knowledge, Analysis and Intelligence)
  - Jonathan welcomed everyone to the second meeting of the HMRC Tax Transparency Sector Board.
  - He thanked everyone for taking the time to be part of this board once more.
2. **Action Points** (Ian Parfitt - HMRC - Knowledge, Analysis and Intelligence)
  - AP1 - 17.12.13 To be discussed at item 6 on the agenda
  - AP2 - 17.12.13 Closed: Chris Taggart had accepted invitation to Transparency Sector Board in addition to Public Sector Transparency Board and was present at meeting.
  - AP3 - 17.12.13 The British Retail Consortium (BRC) had declined to attend previously, due to a change of Director General but Ian will ask again. Ian will invite the Confederation of British Industry (CBI) to the May event.
  - AP4 - 17.12.13 Action point carried forward, as Peter Fanning was not available
3. **Update on HMRC's initiatives** (Daniele Bega - HMRC - Knowledge, Analysis and Intelligence)
  - Tax Administration Research Centre (TARC)

In January 2013, HMRC and HMT established a Tax Administration Research Centre, jointly funded with the Economic and Social Research Council (ESRC). The Centre is led by Professor Gareth Myles from Exeter University, working in partnership with the IFS and a number of UK and International Academic Institutions

The aim of the Centre is to support high quality research and related activities on tax administration with a view to strengthening our understanding of the delivery and design of tax operations and policies.

The centre represents a new approach to research on tax administration, addressing taxation policy and operational challenges, and is designed to build upon current UK research strengths and complement existing centres of expertise.

- Open Data Written Ministerial Statements

The Open Data White Paper (June 2012) committed the Cabinet Office to lay before Parliament a quarterly Written Ministerial Statement on progress against the Public Data Principles on behalf of all departments.

A self assessment approach is taken for gathering the information from Departments and additionally, allowed departments to highlight areas where there had been innovative or forward thinking.

Departments populate a template with published commitments that should have been made publically available before the end of the reporting quarter. Additionally, they will allocate a rating of 'met' or 'not met' based on the date/period of the latest core departmental published data available on data.gov.uk against the date/period of the data that should have been the latest data publically available on data.gov.uk.

Report for 2012 Q3 shows HMRC has met all of its commitments, bar one. The exception has been remedied. HMRC will ensure this continues to be closely monitored. Ed Parkes will advise Minister on how/when to publish summary report.

- Engagement with Open Data Institute (ODI)

In the Open Data Strategy, HMRC has made a commitment to engage with software developers to explore innovative ways for using their information.

HMRC are currently holding some discussions with the Open Data Institute to investigate the possibility to take part in one of their programmes of engagement with software developers.

From a legal point of view, HMRC are not able to make individual taxpayers data available, but there might be some information that could be released as open data such as:

- Tax calendar for tax agents (dates of reminders)
- Some UK trade statistics
- Transparency stats

Opencorporates is involved in the work of the ODI and welcomed HMRC's engagement with this organisation. Chris pointed out that there is a need to define 'taxpayer' information to be able to assess what information can be used in the ODI programmes. Various commercial organizations make 'taxpayer' information available, such as Companies House.

Cindy pointed out that any person or legal entity must be protected as HMRC have a duty of confidentiality and will not be able to release information even if it is made available by an external organisation.

#### 4. Data requests from the Open Data User Group (Ed Parkes - Cabinet Office (CO))

- **Background**

The Open Data User Group (ODUG) began a call for open data users to request data from Government in October 2012. This is hosted as a request form on Data.gov.uk. Any member of the public is able to put a request in for a dataset they would like to see released as Open Data. Requesters are asked to complete as much information as they have available on the data they are requesting. The request is then published on Data.gov.uk although they also have the ability to make a request confidentially.

These requests are initially analysed by the Cabinet Office Transparency Team and those which are identified as being of most value or which are likely to involve negotiations relating to building a more detailed case for release are referred on to the Open Data User Group for consideration.

Where cases are seen as being relatively straightforward these are referred by the Transparency Team departmental account manager straight to working level contacts in Departments to investigate whether the data can be released.

- **Requests for HMRC data**

There have so far been eight requests received through this process that have been identified as relating to HMRC held data. Those six requests which have been submitted publicly are for:

- a. CHIEF database(Customs Handling of Import and Export Freight - the computer system for processing customs declarations)
- b. Anonymised dataset of UK taxpayers
- c. VOA business listings
- d. Small area wealth or income data
- e. Companies Tax Records
- f. The London Rent Map Raw Data

A number of these are being pursued at a working level and one has been raised to the Data Strategy Board.

#### **Considerations for the Board**

The board was asked:

- a. to give their thoughts on the content of these requests to inform the prioritisation of the work that HMRC is undertaking to understand whether the data can be released; and
- b. to consider how they would like to remain updated on an ongoing basis in terms of new requests that come in via this process.

Board members suggested, and others agreed, that the general presumption should be to publish available information, rather than having the default setting as restricting the majority of data from publication. HMRC commented that it supported release within the existing legislation that governs the department (Commissioners for Revenue and Customs Act) and taking into account HMRC's business needs. It was noted that while Data Protection Act covers information about living natural persons, the Human Rights Act covers information about non-natural persons and bodies (eg companies, partnerships, trusts).

In discussion of CHIEF database, it was observed that not many people are aware of CHIEF and that it is difficult for non-government people to understand government systems/data. Release of CHIEF data, as for example in US, would help with understanding of Import / Exports, Sourcing and Supply Chains and how these have changed over time. It was observed that import data is already published and sold and that ICO opinion was that the same data protection issues apply whether data are sold or given away. HMRC confirmed that the Department packages and sell companies reports based on their own data, but, due to the legislation, it does not release information on third parties in CHIEF. Trade Info publishes importers' details for free but not exporters' - this derived from EU Legislation which provided an appropriate legal gateway.

HMRC undertook to provide more information on the legal gateway used to publish importers data and on the CHIEF reports. (Links below for information)

Disclosure of information as to imports : <http://www.legislation.gov.uk/ukpga/1988/39/section/8>

HMRC on CHIEF : <http://customs.hmrc.gov.uk/CHIEF>

**(AP5 25.02.13)**

To aid general understanding of HMRC data holdings, it was requested that more information be made available on HMRC datasets held and their contents. This might help others to articulate their requirements for HMRC data. HMRC indicated they had tried to address this through a Transparency Data Catalogue, listing the majority of datasets held by the Department, that is available on the HMRC website:

<http://www.hmrc.gov.uk/transparency/implementation-plan-catalogue.xls>

There was discussion about how to process requests from ODUG efficiently and the need to prioritise what is discussed at Board meetings. Some of the requests presented were very general and it was unclear how best to respond to these.

There was general agreement that it would be helpful for Board members to see a listing of ODUG proposals a week before each Board meeting, to give them proper consideration and be prepared for discussion at the Board meeting.

Cabinet Office undertook to talk to the Open Data User Group (ODUG) on how to proceed. We need to explain why certain datasets won't be made public and log postings on Data.gov.uk. **(AP6 25.02.13)**

## **5. VAT Register Requests (James Templeton – HMRC - Business Customer and Strategy)**

James listed a number of positive reasons for the publication of the VAT Register :

- It includes details of business proprietors alongside details of business and when it (de)-registered for VAT
- Potential improvements in credit scores, especially for VAT-registered businesses which are unincorporated
- Fraud reduction potential
- Anti money laundering (must know customer) potential

But there is a need to understand fully what the benefits are and to this end, the next stage is to carry out a research project to do just that. This will need to look at and provide a robust assessment of how the data will be used, what change in outcomes will arise and what the scale of benefits might be taking account of any displacement effects.

Conversely, there are also complex legal and policy issues to investigate in order to inform advice to the Board and Ministers, include the following:

- Taxpayer confidentiality under CRCA
- Personal data issues under DPA
- Fit with HMRC data strategy given it would be setting a precedent
- VAT fraud risks

- Different disclosure options (eg full vs redacted)
- Should there be a consent option i.e. opting in or out.

If this is to go forward, it will also need legislation and to go through parliamentary processes. So, Phase 2 will be to look at viable options and bottom out the legal issues, over the coming months.

Board members agreed that clarity on societal benefits was important. Data sharing should also make it easier to spot existing fraud. Other considerations include risks to individuals / directors from publishing individual data, limiting availability to certain organizations and risking enriching them at expense of others etc.

#### **6. Tax Transparency Sector Board Work Plan (Daniele Bega - HMRC - Knowledge, Analysis and Intelligence)**

HMRC has collated the initial list of requests received from Board members at the first meeting of the Tax Transparency Sector Board in December. Daniele Bega asked the group about the best way forward to define a work plan for the sector board.

In discussion it was agreed that the key considerations when prioritizing should be the legality, the effectiveness and efficiency of assembling the data and benefits that might arise from the data release. Thought would need to be given to suitable scoring criteria. Equally, it was suggested the descriptions provided in the HMRC list should be sharpened to make the requests more specific requests so that they could be evaluated more thoroughly.

On available information, HMRC thought the most promising areas could be small area stats, VOA data and CHIEF. HMRC work plan might focus on these three areas subject to the outcome of an agreed action that everyone would review the list of requests for HMRC and clarify requirements. **(AP7 25.02.13)**

It was noted that it would be helpful for the group to have information on the legal issues for HMRC. HMRC undertook to provide a one page on the legal issues around HMRC Data for next time. **(AP8 25.02.13)**

Mention was made of impending changes to the Data Protection Act that arise from new EU General Data Protection Regulation. This may affect scope/feasibility of proposals the Board considers. There was discussion of an observation that Companies House had proposals to publish data from XBRL submissions. Of particular interest would be to understand the difference between what companies publish in accounts and what they return for tax purposes.

HMRC undertook to consult Companies House on the information they plan to publish from XBRL submissions and timing for publication **(AP9 25.02.13)**.

#### **7. Summary and AOB**

**Next meeting** : Monday 10<sup>th</sup> May 2013 (10:30 to 12:30pm)  
100 Parliament Street London SW1A 2BQ (Room G16)