

## Minutes of the Tax Professionals' Forum meeting, 23 January 2017

The Financial Secretary to the Treasury (FST), Jane Ellison MP, chaired a meeting of the Tax Professionals' Forum on Monday 23 January. Apologies were sent from Malcolm Gammie. All other members of the Forum were present.

Forum members reflected on the key recommendations from their most recent annual report. The FST noted that the recent report by the **Institute for Government, Institute for Fiscal Studies and Chartered Institute of Taxation** on the **tax policy making process** had raised a number of issues consistent with those that the Forum has raised. The FST responded that the Government continues to look to improve the tax policy making process, noting in this context the smaller scale of the Autumn Statement and the emphasis on setting out intentions for longer term reform. Members were interested in how this agenda would develop, emphasising that the Government should consult widely on the direction of travel and options involved.

The FST then went on to outline how the change in **fiscal event timetable** would work in practice, commenting that it presented an opportunity for the Government to take a more strategic approach to tax policy making. The Forum were interested to hear that the **Spring Statement** would also be an opportunity to launch consultations on strategic, long-term policy issues. The FST concluded that she would welcome contributions and feedback from the Forum on the consultation and legislative timetable going forward.

Moving on, the Forum outlined issues with some elements of the **draft Finance Bill**, noting that legislation on **interest restriction** and **income tax provision for non-domiciles**, was still outstanding. The FST noted that the Government aimed to adhere to the principles set out in the new approach to tax policy making wherever possible, but that these were particularly complex measures where ongoing engagement with experts was essential to drafting legislation that would work as intended. The FST reassured the Forum that the remaining Finance Bill clauses would be published by the end of January for a four week technical consultation.

The Forum then went on to highlight a number of more specific issues where it had concerns about the Government's adherence to the tax policy making process. In relation to **Making Tax Digital**, the Forum repeated their concerns that the Government should have consulted businesses at an earlier stage before the decision was made to mandate digitisation. The FST acknowledged the concerns raised, but argued that the Government had done a lot of work to refine the proposals following the 3,000 responses received to the consultations. The FST also outlined the testing program that HMRC will shortly be rolling out to ensure that the system works ahead of implementation, emphasising that the Government would continue to work with businesses, agents, tax professionals and other stakeholders throughout this process.

Forum members outlined their strong opposition to the **strengthening tax avoidance sanctions and deterrents** legislation. The FST noted that the Government had made a number of amendments to the policy, including settling on a fee-based rather than tax-gearred penalty and using the definition of abusive arrangements in the General Anti-

Abuse Rule (GAAR). The Forum acknowledged that these were welcome reforms, but argued that the legal profession were still in a difficult position. The FST encouraged the Forum to keep working with counter-avoidance officials in HMRC on the details of the draft legislation.

Finally, the Forum noted their concerns with the **gov.uk website**, commenting that it is difficult to use for taxpayers and tax professionals. The Forum agreed to follow up with the FST on this issue in further detail.