

Minutes of OTS Board meeting 18 July 2017

Present

Angela Knight (Chair)
Teresa Graham (SID)
Paul Morton (Tax Director)
Edward Troup (HMRC)
Paul Johnson
John Cullinane
Mike Williams (HMT)

Apologies

Kathleen Russ

In attendance

David Halsey (OTS Head of Office)
Simon Jackson (OTS)
Shakeel Khan (HMRC - shadowing Edward Troup)

1. Minutes of previous meeting (23 May 2017)

These had been circulated prior to the meeting. The minutes were confirmed as a correct record. There were no outstanding action points that were not on the meeting agenda.

Under matters arising, there was a brief discussion of the recent announcement about the way forward with Making Tax Digital, noting the shift in the timetable and initial VAT focus – for those above the registration threshold.

2. Register of interests and potential conflicts

The current register of Board members' interests was circulated. No potential conflicts in relation to matters on the agenda were identified.

3. Tax Director's Report

The Board discussed a report from the Tax Director, which

- drew attention to the OTS's significant number of publications since the last meeting (updated Gig focus paper on 22 June, first annual report on 26 June, our evaluation of previous recommendations on 27 June, CT computation review on 3 July, and the paper Stamp Duty review on 10 July),
- gave a flavour of the coverage these had received in the media and tax professional press, including a number of articles from the OTS
- outlined the OTS's engagement to date with the Taylor review (published on 11 July)
- reported on a recent meeting with the Chancellor and Financial Secretary, and
- outlined a number of other recent contacts and meetings held.

The main area of subsequent discussion related to the nature and extent of the OTS's role and work plans in relation to the Gig economy and the world of work. In particular there was discussion of the scope for making data available about the impacts of different ways of working, for considering the implications and opportunities that platforms and technology generally may present including for

withholding at source, and for exploring the potential desirability and feasibility of integrating parties' financial dealings with the administration of the tax system.

4. Forward Planning

The Tax Director spoke to a note on present and future work plans.

Work presently in hand includes the VAT review, initial work to scope the business lifecycle and preparations for work on capital allowances and depreciation (recommended in the corporation tax computation review – see item 6 - on which the government's response is awaited).

In relation to future work, particular areas considered were

- exploring the potential impact of, and opportunities presented by, technology
- building on the initial business lifecycle work, into either the capital-raising incentives (early in the life of the business) or the reliefs applicable on sale or transfer (at a later stage)
- looking at issues around personal savings income (interest and dividends and potentially life insurance products), the starting rate of tax and ISAs
- considering the impact and consequences of thresholds generally

There was also discussion of how the OTS could best engage with HMRC, not least around the user experience, in the context Making Tax Digital.

5. VAT review

The Tax Director spoke to a written update on this review.

In relation to the registration threshold, where it was understood there was a bunching of reported turnover just below the threshold, the Board reiterated the intention that the report should provide information and analysis without offering a specific recommendation. The report would also aim to present and analyse a number of potential ways of smoothing its effect.

There was a more general discussion about how best to frame the OTS's approach to the report when it is published, in the Autumn.

6. Capital Allowances and Depreciation

The Tax Director introduced a draft scoping document for this review, which was discussed.

7. OTS Governance

The Board noted a list of the significant meetings attended by the Chair, Tax Director and Head of Office since the last Board meeting and of some upcoming meetings.

8. Administrative matters

The Head of Office reported on OTS finances and staffing.