



HM Revenue  
& Customs

**Ruth Stanier**  
**Director General**  
**Customer Strategy and Tax Design**

100 Parliament Street  
London  
SW1A 2BQ

Rt Hon Sir Edward Davey MP  
House of Commons  
London  
SW1A 0AA

2 April 2019

Dear Sir Edward,

Thank you for your letter to the Chancellor of the Exchequer of 28 March, signed jointly with Ruth Cadbury MP and Ross Thomson MP, about the Loan Charge All-Party Parliamentary Group (APPG) and the individual case studies that were shared with HMRC. As your letter relates to HMRC's conduct, I have been asked to reply. The Financial Secretary to the Treasury has written to you about several aspects of the loan charge, so this letter will focus specifically on the case studies you provided.

As was set out at your meeting with the Chancellor and Financial Secretary to the Treasury on 31 January, HMRC is bound by a clear statutory duty of taxpayer confidentiality. Express written permission from the individuals concerned would be required in order for HMRC to comment on individual cases. In providing the case studies, you stated: "It is our understanding that the individual taxpayers have given permission to share their submissions with HMRC." HMRC has carefully reviewed your letter and submissions provided. These did not include the permissions that would be needed for us to correspond further with the APPG about the individual cases.

It is important that these matters are dealt with appropriately. The Commissioners for Revenue and Customs Act 2005 is clear that HMRC cannot disclose taxpayer information without lawful authority to do so. An "understanding" as set out in your correspondence does not constitute lawful authority. A breach of the duty of confidentiality is an offence and can result in criminal sanctions against the HMRC officials involved in disclosing the information.

We were also concerned that several of the submissions which the APPG provided to HMRC contained specific wording from individuals either asking for their information to remain confidential and not to be shared more widely, or even explicitly asking the APPG not to share that information with HMRC. Many other submissions were anonymous or contained insufficient information to enable us to identify the individual cases.

Having carefully reviewed all the submissions, HMRC shared the general themes and concerns identified with HM Treasury to inform preparation of the government's report. Where appropriate, for example where individuals' submissions highlighted difficult personal situations, the information provided is being taken into account to help inform appropriate case handling.

Yours sincerely,

A handwritten signature in blue ink that reads "Ruth Stanier." Below the signature is a single, slightly curved horizontal line.

**Ruth Stanier**  
Director General, Customer Strategy and Tax Design