HM Treasury

Corporate Tax Roadmap

October 2024

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This publication is available at: www.gov.uk/official-documents.

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ISBN 978-1-917151-44-3 PU 3452

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Foreword

As a government, we are determined to provide the stability needed by businesses to make investments that are critical to boosting growth in the UK.

The government inherited one of the most challenging fiscal positions in post-war history and, in July, uncovered unfunded spending pressures totalling £22 billion. Autumn Budget 2024 delivers the difficult decisions on tax, spending and welfare which repair the public finances, restore stability, and fix the foundations of the economy.

We are committed to raising private sector investment in the UK to boost economic growth. This Corporate Tax Roadmap is an integral part of providing the best possible conditions for encouraging that investment, after several years of cliff-edges in investment allowances and multiple changes in rate policy.

I have listened to the views of businesses and tax experts, who have been clear that a stable and predictable tax environment helps to provide the confidence needed to encourage investment, innovation, and growth over the long term.

The Roadmap reflects the particular importance of Corporation Tax to significant business investment decisions. It also reflects the high appetite for policy stability on Corporation Tax following the considerable changes of approach announced in recent years. By providing stability and predictability, businesses will be able to rebuild the confidence they need to make significant long-term decisions.

The Roadmap is designed to give businesses the certainty they need, and confidence that the UK intends to maintain its competitive position among major economies. I look forward to continuing to work closely with businesses to deliver the commitments this Roadmap contains.

James Murray

Exchequer Secretary to the Treasury

Chapter 1 **Introduction**

1.1 Economic stability is central to delivering on the government's objectives for sustained UK economic growth. It is important that we create a stable and predictable environment within which businesses – and those who invest in them – can make long-term investment decisions with confidence.

1.2 The UK's Corporation Tax regime is an important part of that environment. Whilst there will be a continuing need for that regime to adapt – for example to respond to new business practices or new competitive pressures – we recognise the importance of a stable regime following years of significant change, instability, and unpredictability.

1.3 Recognising this balance, the Corporate Tax Roadmap will provide clarity about the major features of the system and highlight some areas where the government expects to consider changes to ensure the tax system remains dynamic and up to date.

1.4 Through the commitments it makes on the Corporation Tax rate, capital allowances, Research and Development (R&D) tax reliefs, the regime for intangible assets, and the approach to territorial taxation, the government is providing predictability, stability, and certainty to businesses and investors.

1.5 This Roadmap confirms the major features of the Corporation Tax regime for the duration of this Parliament. It delivers on what taxpayers have told us their priorities are for the corporate tax system:

- *Predictability* by confirming the major features of the Corporation Tax regime for the duration of the Parliament, highlighting areas where we will actively investigate change, and committing to consultations that will allow businesses to influence future changes.

- *Stability* by maintaining many of the system's current features, especially those that make the UK's corporate tax regime competitive.

- *Certainty* by committing to improved guidance to make it simpler and more straightforward for businesses to understand their obligations and how to meet them; and to develop a new process for increasing the tax certainty available in advance for major investments.

1.6 This Roadmap sets out how we intend to make the corporate tax system as effective as by possible, by setting out detailed plans for improving the operation, accessibility, and targeting of key schemes, including further reducing fraud and error; and by improving HMRC customer experience.

1.7 We will set out further information on our approach to achieving our missions – including the publication of the Industrial Strategy and the conclusion of the upcoming Spending Review. The government will also provide more on our plans for accelerating towards net zero as part of the Clean Energy Superpower mission and our view of how other taxes and policy levers outside of Corporation Tax can support this objective.

1.8 As the government works to achieve the missions we have set out, we remain committed to incentivising investment and maintaining competitiveness – noting that in many cases forms of support other than tax, such as effective regulation, will be most appropriate.

1.9 The government is committed to providing stability and predictability in the business tax system. However, it cannot rule out all changes to the corporate tax regime over the course of this Parliament. For instance, there may be a need to take action in response to unforeseen developments, such as an identified risk of abuse or an identified issue with the application of legislation to new business models or practices.

1.10 However, the government commits to ensuring that any action is considered, appropriately targeted and, as far as possible, informed by engagement with businesses and tax professionals as part of its overall consultative approach to economic and fiscal policy making.

Box 1 Major commitments made in this Roadmap

The Roadmap makes the following commitments across the corporate tax system for this Parliament. It sets out the key features that will keep the UK's regime competitive and supportive of investment, and the areas where we will introduce or explore improvements.

Corporation Tax rate

- Capping the headline rate of Corporation Tax at 25% for this Parliament
- Monitoring international developments with a view to ensuring that the UK's regime remains competitive
- Maintaining the Small Profits Rate and marginal relief at their current rates and thresholds

Capital allowances

- Maintaining the generous system of permanent full expensing for this Parliament
- Maintaining other core features of the UK's capital allowances regime including the £1 million Annual Investment Allowance, writing down allowances, and the Structures and Buildings Allowance
- Further exploring how to provide greater clarity on what qualifies for different capital allowances, the simplification of capital allowances legislation, and the tax treatment of predevelopment costs
- Exploring an extension of full expensing to assets that are bought for leasing or hiring

R&D reliefs

- Maintaining the generosity of the rates for the merged R&D Expenditure Credit scheme and the Enhanced Support for R&D Intensive SMEs
- Enhancing the administration of R&D reliefs by establishing the R&D expert advisory panel, continuing to improve signposting and guidance on R&D reliefs, and launching an R&D disclosure facility by the end of 2024
- Confirming a consultation on widening the use of advance clearances in the R&D reliefs

Patent Box and intangible assets

- Maintaining the Patent Box
- Preserving the UK's competitive regime for intangible fixed assets

Other Corporation Tax reliefs

- Maintaining an Audio-Visual Expenditure Credit and a Video Game Expenditure Credit

- Launching a consultation to review the effectiveness of Land Remediation Relief

International Corporation Tax issues

- Further consulting on reforms to the UK’s rules on transfer pricing, permanent establishments, and Diverted Profits Tax – including the potential removal of UK-to-UK transfer pricing
- Consulting on further changes to transfer pricing legislation, including potentially lowering the thresholds for exemption and introducing a requirement for multinationals to report cross-border related party transactions to HMRC
- Reviewing the transfer pricing treatment of cost contribution arrangements
- Continuing to support international agreement on a multilateral solution under Pillar 1 and maintaining the UK's commitment to repeal the UK's digital services tax when that solution is in place
- Continuing to ensure that the UK’s domestic rules reflect internationally agreed updates to Pillar 2
- Considering opportunities for simplification or rationalisation of the UK’s rules for taxing cross-border activities in light of Pillar 2

Tax administration

- Developing and consulting on a new process that will give investors in major projects increased advance certainty
- Publishing an update in the spring on how the government will take forward its ambitions on modernising the technology the CT system relies on

Chapter 2 **The Corporate Tax System**

Corporation Tax

Approach

2.1 The government's aim is to make the UK the most attractive major economy in which to invest and do business. The approach set out in this Roadmap reflects the government's view on how the Corporation Tax system can best support this aim, taking account of the latest evidence and engagement with a range of stakeholders.

2.2 The key principles governing how Corporation Tax liabilities are calculated will not undergo major change, providing stability and predictability for taxpayers.

2.3 Central to this approach is a competitive and sustainable main rate of Corporation Tax – which remains the lowest in the G7. This is supplemented by some of the most generous business investment tax reliefs and allowances in the OECD, including capital allowances, R&D reliefs, and the Patent Box – measures which directly incentivise business investment in a targeted and fiscally sustainable manner.

2.4 The UK is also an attractive location for international headquarters and holding companies. The government commits to keeping the structural features of the Corporation Tax regime in place so this continues to be the case.

2.5 The government will keep the Corporation Tax regime under review to ensure that it meets the UK's international obligations and is aligned with international best practice.

2.6 We will continue to investigate opportunities to further strengthen the tax system's competitiveness and the ease of engaging with it, subject to the fiscal and economic constraints set out above, including by looking at opportunities to rationalise features of the regime.

Corporation Tax rate

2.7 As previously announced, **the headline rate of Corporation Tax will be capped at 25%** for this Parliament.

2.8 We will monitor international developments with a view to **ensure that the UK's regime remains competitive.**

2.9 The **Small Profits Rate and marginal relief will also be maintained at their current rates and thresholds.**

2.10 The UK government remains willing to engage with the Northern Ireland Executive on devolution of the Corporation Tax rate to Northern Ireland, should the Executive choose to pursue this.

Corporation Tax base

2.11 The current Corporation Tax base is competitive internationally, with generous treatment of tangible and intangible assets, well-established loss relief rules, and a largely territorial Corporation Tax system. The government commits to keeping this approach in place.

2.12 The current losses regime provides a flexible approach on loss relief for both standalone companies and groups. The government will provide stability by maintaining the key features of the regime.

2.13 While the government acknowledges the arguments that have been put forward for restricting the deductibility of borrowing costs in the light of the introduction of full expensing, it has not seen evidence of material adverse impacts and does not intend to make changes in response.

Territorial structure of Corporation Tax

2.14 With a broad exemption for gains on disposals of substantial shareholdings, a broad exemption for dividends paid to UK companies, and limited withholding taxes on outbound payments, the UK is an attractive location for groups to locate their headquarters or holding companies.

2.15 Further to this, the UK has a wide network of double taxation agreements that limit foreign withholding taxes on income received by UK resident companies and more generally support UK companies undertaking cross-border activities through effective mechanisms for preventing and resolving double taxation.

2.16 The government commits to keep in place these structural components of the Corporation Tax regime that contribute to the UK's competitiveness.

Bank taxes

2.17 The banking sector is subject to two sector-specific taxes – the Bank Levy and the Bank Corporation Tax Surcharge – that together raise more than £2 billion each year. As the government has made clear, sound fiscal policy is key to economic stability and growth. We can only deliver excellent public services by delivering on our commitment to responsible fiscal policy. At the same time, the government recognises that the tax system has a vital role to play in supporting our growth mission. We will keep the bank tax regime under review, to ensure that these objectives are appropriately balanced.

Capital allowances

Approach

2.18 This government is committed to a capital allowances regime that:

- helps support cross-economy business investment and our growth mission;
- is world-leading, giving the UK a competitive edge;
- is simple, while appropriately mitigating error and abuse risks; and
- is flexible, with choices for companies over which capital allowances to claim.

2.19 While the government wants to prioritise stability in this area, any changes made during this Parliament would be assessed against these objectives.

Areas maintaining current treatment

2.20 Capital allowances play a vital role in the government's mission to boost economic growth. Generous capital allowances can help to influence investment decisions by reducing the cost of capital and can also help to simplify the decision making process in boardrooms.

2.21 There has been significant instability and unpredictability in recent years, with temporary measures and changes in the amount of the Annual Investment Allowance. This government will prioritise providing stability and certainty in this area and will maintain the core structure of the generous system for capital allowances that is currently in place for the duration of this Parliament.

2.22 **The government will maintain:**

- **Full expensing**, the 100% first-year allowance for companies on qualifying new main rate plant and machinery, and the 50% first-year allowance for companies on qualifying new special rate plant and machinery. This keeps the UK at the top of global rankings, as the only major economy with permanent full expensing.

- **Annual Investment Allowance**, the 100% first-year relief for plant and machinery investments up to £1 million, available for all businesses, including unincorporated businesses and most partnerships.

- **Writing down allowances** for main rate and special rate plant and machinery. The capital allowances system will remain flexible with a continuing role for writing down allowances, with choices for businesses over which allowances to claim.

- **Structures and Buildings Allowance**, providing relief for capital expenditure on the purchase, construction, and renovation of new non-residential structures and buildings.

Areas for further exploration

2.23 Over the course of this Parliament, the government will seek to work closely with stakeholders to **further explore the following issues:**

- **Clarity on what qualifies for different capital allowances.** The government will provide businesses with greater clarity on what qualifies for capital allowances to help make investment decisions. HMRC has already issued a number of guidance changes following discussions with industry and tax experts on common areas of uncertainty such as the treatment of computer software and the interaction between the annual investment allowance and full expensing.

- **Simplification.** The government is grateful for contributions to the existing full expensing simplification industry working group, and responses to the technical consultation. As the legislation to make full expensing permanent is already in place, we will proceed with this work to a slower timeframe over this Parliament. This exercise is not intended to materially change which expenditure is eligible for full expensing or the way in which it is claimed. Rather, it aims to consolidate and simplify the Capital Allowances Act 2001, making the capital allowances system more straightforward for businesses.

- **Predevelopment costs.** The government is aware of business concerns regarding predevelopment costs, following the Gunfleet Sands Ltd and others vs. HMRC (2023) decision. We will explore this carefully with affected stakeholders through a consultation to be launched in the coming months, to help inform the government's next steps and potential options. A core pillar of our Growth mission is to encourage investment in renewable energy and major infrastructure projects, and the government is therefore keen to understand the impact of the tax rules on the costs of such investments.
- **Extending full expensing to assets bought for leasing.** The government is grateful for contributions to the leasing industry working group, and representations received on this topic to date. The government recognises the case to extend full expensing to leasing and will explore making this change when fiscal conditions allow.

R&D Reliefs

Maintaining generosity

2.24 The R&D reliefs play a vital role in the government's mission to boost economic growth. Evidence shows the reliefs help to crowd in private investment in R&D, generating positive spillover effects and helping to drive innovation in the UK.

2.25 In order for the reliefs to be as effective as possible, it is important that companies have the certainty they need to make investment decisions. There has been significant change to the system in recent years, and it is now time to prioritise stability.

2.26 The government is committed to **maintaining the generosity of the rates in both the merged R&D Expenditure Credit (RDEC) scheme and the Enhanced Support for R&D Intensive SMEs**.

2.27 Combined with the commitment to cap the Corporation Tax rate, companies doing qualifying R&D will continue to receive a cash value of between £15 to £27 for every £100 spent on R&D.

2.28 The RDEC rate of 20% represents the joint highest uncapped headline rate of R&D tax relief in the G7 for large companies. The R&D reliefs will support an estimated £56 billion of business R&D expenditure a year by 2029-30.

2.29 The government will continue to consider longer term simplifications and incremental improvements to the effectiveness of the reliefs.

Administration

2.30 Levels of error and fraud in the R&D tax reliefs were 17.6% in 2021-22, which is clearly unacceptable. An illustrative estimate published by HMRC suggests that action taken so far has reduced error and fraud by almost 10 percentage points between 2021-22 and 2023-24. However, there is more to be done to tackle error and fraud whilst ensuring that the claims process is straightforward for genuine claimants.

2.31 The government notes the concerns raised by stakeholders about the increased scrutiny by HMRC of R&D claims, and more widely on administration of the reliefs. Whilst it is right that HMRC is taking action to address error and fraud, the government is committed to responding to stakeholder feedback and improving administration to ensure the reliefs continue to support our most innovative businesses.

2.32 The Approach to R&D tax reliefs 2023-24 publication, which was also published at Budget 2024, sets out the scale and characteristics of error and fraud up to 2023-24. It outlines the policy and operational changes that have been made to address the high levels of error and fraud, and it includes further data on customer experience.

2.33 HMRC will proceed with **establishing the R&D expert advisory panel**. It will **continue to improve signposting and guidance on the reliefs.** It will **also launch an R&D disclosure facility by the end of the year** and use its powers to tackle agents who breach the agent standards.

2.34 The full impact of changes to administration of the reliefs takes time to appear in the data. The government will continue to monitor the levels of error and fraud and will take further action if needed to ensure taxpayer money supports qualifying R&D.

2.35 The government has also committed to **discussing widening the use of advance clearances in R&D reliefs with stakeholders, with the intention to consult on lead options in spring 2025**. The aim of this is to reduce error and fraud, improve the customer experience, and provide certainty to businesses.

Evaluation

2.36 The government is committed to periodically evaluating the R&D reliefs to ensure they are as effective as possible and underpinned by a credible, up to date evidence base.

Patent Box and intangible assets

Patent Box

2.37 The government **recognises that the Patent Box has created a competitive tax environment for companies to develop and exploit patents and other similar intellectual property in the UK**, and is not planning to make changes to the regime.

Intangible assets

2.38 The intangible fixed assets regime allows companies to obtain relief for the amortisation of acquired intangible assets, including trademarks, designs, licences of intellectual property rights, and certain forms of goodwill. This supports investment in the knowledge-based economy, providing a fair and consistent approach to the taxation of intangible assets, and supporting UK competitiveness. The government therefore intends to preserve **the current approach to intangible fixed assets**.

Other Corporation Tax reliefs

Audio-Visual Expenditure Credit & Video Game Expenditure Credit

2.39 The creative industries play a key role in driving economic growth. The government is committed to supporting them and will implement a creative industries sector plan as part of the Industrial Strategy, creating good jobs and accelerating growth in film, TV, gaming, and other creative sectors.

2.40 The government recognises the importance of the Audio-Visual Expenditure Credit and the Video Game Expenditure Credit particularly for large businesses making substantial investments in certain sectors, and the need for certainty to enable long-term investment decisions to be made.

2.41 To support investment into these industries, the government **will maintain an Audio-Visual Expenditure Credit** for film and high-end TV producers, and a **Video Game Expenditure Credit** for video game developers.

Land Remediation Relief

2.42 Building more is key to raising everyone's living standards and boosting economic growth. The government is committed to a brownfield first approach, prioritising the development of previously used land wherever possible.

2.43 The government recognises the positive impact that Land Remediation Relief can have to further this goal, by providing extra tax relief for the substantial costs involved in cleaning up contaminated or derelict land and preparing it for redevelopment.

2.44 There have been limited changes to Land Remediation Relief over the last 23 years, since it was first introduced in 2001. Following the publication of the Office for Tax Simplification's review of tax reliefs, government consulted on the removal of Land Remediation Relief in 2011 but decided against its removal.

2.45 Given the amount of time since the last review of the tax relief and the potential for the relief to help progress the government's objectives, the government will launch a **consultation to review the effectiveness of Land Remediation Relief in Spring 2025**. This will determine whether it is still meeting its objective of boosting development on brownfield land and evaluate its value for money.

International Corporation Tax issues

Approach

2.46 In its approach to international tax, the government is committed to encouraging cross-border trade through effective mechanisms for eliminating double taxation and for resolving disputes. We will uphold internationally agreed principles of fair tax competition and continue to protect the UK against base erosion and profit shifting. To achieve this, and to ensure that the international frameworks within which Corporation Tax operates are fair and keep pace with changes in the global economy, the UK will continue to play a leading role, working closely with our international partners, including within the OECD Inclusive Framework.

2.47 The government supports the transition that has been made to a more territorial UK Corporation Tax regime underpinned by the substantial shareholding exemption regime, dividend exemption regime, and a flexible regime for foreign branches. However, it also believes that it is essential that profit attributable to UK activities is effectively taxed in the UK under this regime. A number of measures support this objective including Pillar 2's Domestic Minimum Tax and the Controlled Foreign Company and hybrid mismatch rules. The government will continue to monitor these measures and the UK's approach to taxing cross-border activities to ensure that objective is realised.

Transfer Pricing

2.48 The government will **further consult on reforms to the UK's rules on transfer pricing, permanent establishments, and Diverted Profits Tax**, and introduce changes which will benefit taxpayers through improved certainty and better alignment with tax treaties, while protecting the UK tax base. This includes the potential removal of UK-to-UK transfer pricing which would reduce the UK compliance burden.

2.49 The government will also be taking forward consultations on further changes to the transfer pricing rules, including:

- **Considering lowering the thresholds for exemption** from transfer pricing for medium-sized businesses to align with international peers and manage risks to the UK tax base. The government will retain an exemption for small businesses.
- **Introducing a requirement for multinationals in scope of transfer pricing rules to report cross-border related party transactions** to HMRC. This will help facilitate better identification of transfer pricing risk and allow for more targeted enquiries. The government will ensure any additional compliance burden is proportionate and not beyond that imposed by peer jurisdictions.

2.50 In line with the government's aims – to protect the UK tax base whilst simultaneously encouraging inward investment and providing certainty – we will also **review the transfer pricing**

treatment of cost contribution arrangements, where the costs and benefits of developing intellectual property are shared by group companies. This will ensure that the rules are certain and do not act as a deterrent to investment that brings economic benefits to the UK.

OECD Pillar 1 & Pillar 2

2.51 The government is committed to finding an international Pillar 1 solution to the challenges that digitalisation has created for the fair allocation of taxing rights over multinational profit.

2.52 It believes that a multilateral agreement would represent the most effective solution to this challenge and provide for an international framework that is fairer, more sustainable, and delivers greater tax certainty for multinational groups to which it relates.

2.53 The government welcomes the progress that has been made in developing a comprehensive Pillar 1 package, consisting of an Amount A Multilateral Convention to re-allocate taxing rights and an associated Amount B framework for providing greater certainty with respect to the transfer pricing of baseline distribution functions.

2.54 In line with the Rio de Janeiro G20 Ministerial Declaration on International Tax cooperation, the government now hopes that the small number of jurisdictions with remaining issues on the Amount B framework can urgently resolve those issues to allow this historic agreement to be delivered.

2.55 The government is committed to Pillar 2, and the effective implementation of the Global Anti-Base Erosion rules which ensure that businesses with consolidated annual revenues of more than €750 million pay a minimum 15% effective tax rate on their profits in each jurisdiction they operate in. This will help address aggressive tax planning by large multinationals and ensure a level playing field.

2.56 These rules consist of three parts. The UK has implemented the first two of these: the Income Inclusion Rule and Domestic Minimum Tax. The third, the Undertaxed Profits Rule, will take effect from 31 December 2024.

2.57 The UK will continue to work to ensure these rules achieve their objective by supporting the Inclusive Framework of countries that have developed both the Pillar 2 Global Anti-Base Erosion rules and the Subject to Tax Rule.

2.58 The government **will continue to ensure that the UK rules reflect internationally agreed updates to Pillar 2** in domestic legislation to maintain a qualifying set of rules. In doing so, the government will continue to consult where possible to ensure that the legislation works for businesses as intended.

2.59 The government will also **continue to consider opportunities for simplification or rationalisation of the UK's rules for taxing cross-border activities following the introduction of the Pillar 2 framework**, noting there are key differences between these rules and Pillar 2 that mean change will require careful consideration. The government will continue to reflect on possible opportunities here – supported by discussions at multilateral level – and in the meantime reaffirms its commitment to repeal the Offshore Receipts in respect of Intangible Property legislation from 31 December 2024.

Digital Services Tax

2.60 The UK remains committed to removing the Digital Services Tax (DST) once the Pillar 1 global solution is in place. A review of the DST is due next year, and the government will consider the timings and the format of the review in light of the progress made on Pillar 1 implementation in the coming months.

Chapter 3 **Tax Administration**

Administration of Corporation Tax

3.1 This Roadmap sets out several steps the government will take to provide stability and certainty on R&D tax reliefs, and to provide businesses with greater clarity on what qualifies for capital allowances. Moving forwards, the government will continue to engage stakeholders to simplify business tax administration.

Improved certainty

3.2 This government is committed to creating a business tax environment where taxpayers are confident that they understand the various tax rules. The government will remain open to addressing uncertainty and gaps within the Corporation Tax regime.

3.3 This includes **developing and consulting on a new process that will give investors in major projects increased advance certainty** about the tax that will apply.

3.4 Chapter 2 also sets out the steps the government is taking to strengthening the administration of the R&D tax reliefs, including potentially widening the use of advanced clearances.

Helping Firms operate OECD Pillar 2

3.5 Throughout the implementation of Pillar 2 the UK has actively supported co-ordinated implementation, including the option to file a single Global Information Return which will be exchanged between relevant tax authorities.

3.6 Alongside our continuing international engagement with other tax authorities, HMRC has already established a dedicated Pillar 2 compliance team who regularly engage with customers ahead of their first returns, due in June 2026. HMRC is also developing extensive technical guidance to help businesses operate Pillar 2 rules.

User Experience

Modernising CT

3.7 One of the government's key priorities for HMRC is to drive and support the commitment to modernise the administration of tax in order to improve both the customer experience and compliance.

3.8 Corporation Tax was digitalised over ten years ago and already benefits from being heavily intermediated through both software and the advisory profession. The primary focus of HMRC's Making Tax Digital programme has been on VAT and Income Tax for Self-Assessment which historically have had relatively limited digital intermediation and greater reliance on manual processes. The government recognises that the underlying HMRC systems that support Corporation Tax are outdated and future updates will help companies meet their obligations.

3.9 The UK has been heavily involved in the development of the OECD's Tax Administration 3.0 programme, and HMRC recognises the benefits of integrating tax within the day-to-day systems and processes of businesses. However, finding the right way to do that will take time, and the costs and benefits need to be carefully weighed.

3.10 Modernisation is going to play an important role in helping businesses to understand their obligations, and in helping HMRC to support small businesses, whilst tackling those that are deliberately non-compliant. The right software and data can help provide a simpler experience of tax, and the government will explore how best to use them.

3.11 Corporation Tax has a complex population, ranging from small flat management companies and local sports clubs up to the very largest multinational businesses. The way these companies need or want to interact with the tax system will be very different, and the government recognises the need to work closely across industry and the advisory profession in finding the best way to take forward the future administration of Corporation Tax.

3.12 **Further detail on HMRC's modernisation ambitions will be set out in the Spring**.

Co-operative compliance

3.13 HMRC remains committed to co-operative compliance and the Customer Compliance Manager model as the most efficient route to manage the tax compliance of the UK's largest and most complex businesses. HMRC will consider how to build on the work undertaken so far to provide greater taxpayer certainty and improve the customer experience, while continuing to tackle avoidance and aggressive tax planning.

Annex **List of planned consultations**

Box 2 Consultations outlined in this Roadmap

2024

- Consultation on tax treatment of predevelopment costs

Spring 2025

- Consultation to review the effectiveness of Land Remediation Relief
- Second-round consultation on reforms to the UK's rules on transfer pricing, permanent establishments, and Diverted Profits Tax – including the potential removal of UK-to-UK transfer pricing
- Consultations on potentially lowering the thresholds for exemption from transfer pricing and introducing a requirement for multinationals to report cross-border related party transactions to HMRC
- Consultation on a new process that will give investors in major projects increased advance certainty
- Consultation on widening the use of advanced clearances in the R&D reliefs