



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Ray McCann  
[by email]

23/01/2025

Dear Ray,

### **Loan Charge Review Commission**

I am writing to commission you to undertake a new, independent review of the Loan Charge.

Prior to the election, the Chancellor committed to holding an independent review of the Loan Charge to bring this matter to a close. Since entering Government, I have met with campaigners, tax experts, and some of those affected.

I was particularly impacted by my meeting with some of those affected by the Loan Charge. This underscored my belief that our efforts must focus on bringing this matter to a close for them.

Your name was suggested by campaigners as a potential reviewer. I asked you to lead a review on the basis of your experience, understanding of the issue, and respect across the tax industry.

I was very glad you accepted my invitation to work on this review, and I am pleased to formally ask you to begin doing so, on the terms set out below.

### **The Terms of Reference**

We want this review to bring the Loan Charge to a close for those people who still owe substantial amounts of money but can see no way to resolve their debts. It must, however, do so in the context of the very challenging fiscal situation we face.

As we have discussed, the review must therefore focus on bringing closure for the unsettled and unpaid Loan Charge populations, with targeted solutions that have the minimum possible impact on the public finances.

Solutions should not undermine the fundamental principles of the tax system that individuals are responsible for their own tax affairs and that tax owed should be paid.

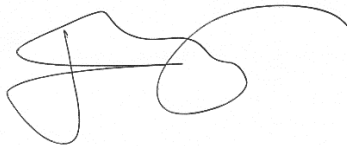
Given our approach to closing the tax gap and the fiscal position, we will not be able to accept recommendations that do not meet these criteria. I believe you understand this and recognise the importance of the principles that I have set out.

I am very grateful for the work you have done to help draft Terms of Reference. We have now finalised those terms, and I have enclosed a copy of them.

### **Next Steps**

As discussed, I would like you to begin the review on 23 January 2025 with a view to presenting your recommendations by Summer 2025. I would like a team of officials who have not previously worked on this policy area to provide support for you in conducting the review. I look forward to receiving your findings and recommendations in due course.

Best wishes

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned centrally below the text 'Best wishes'.

**James Murray MP**  
**EXCHEQUER SECRETARY TO THE TREASURY**