

TAX PROFESSIONALS' FORUM

EIGHTH INDEPENDENT REPORT

MAY 2024

## Contents

<b>Foreword .....</b>	<b>ii</b>
<b>Executive summary .....</b>	<b>1</b>
<b>1. Introduction.....</b>	<b>2</b>
<b>2. Findings from this period .....</b>	<b>3</b>
2.1 Recommendation 1 – Refresh the five-stage policy model .....	3
2.2 Recommendation 2 – Communications and publications.....	3
2.3 Recommendation 3 – Consultation ahead of international tax legislation.....	4
<b>3. Unscheduled announcements .....</b>	<b>6</b>
3.1 Application of the Protocol beyond anti-avoidance .....	6
3.2 Retrospective legislation .....	6
3.3 COVID-19 period .....	7
3.3.1 Extended duration of consultations .....	7
3.3.2 Lessons from consultation in a time of crisis .....	7
<b>Appendix A Consultations released in the period .....</b>	<b>9</b>
<b>Appendix B Protocol on unscheduled announcements of changes in tax law .....</b>	<b>16</b>
<b>Appendix C Remit of the Forum.....</b>	<b>17</b>
C.1. The role of the Forum.....	17
C.2. The Government's approach to Tax Policy Making.....	18
C.3. The role of this Report.....	18
<b>Appendix D Members of the Forum.....</b>	<b>19</b>

## Foreword

As we write this report at the end of the Parliament, it is apparent that drastic changes such as the COVID-19 pandemic and rising energy prices as a result of the war in the Ukraine have impacted policy making over the period covered by this report. At times like this, it might be tempting to consider consultation to be of secondary importance but, in practice, as we saw through the pandemic, engagement becomes even more important. Such enhanced and rapid consultation can inform policy-making, even at a time of urgency.

This report specifically considers how the policy-making process coped with the challenges faced under COVID-19 and considers what lessons can be taken from the successes of this period and applied to improve consultation in more normal times. As a result, the Tax Professionals' Forum makes several recommendations to the Government for future policy-making, including for situations in which the policy framework is placed under pressure.

We welcome the opportunity to engage, both through this report and our meetings both with the Financial Secretary to the Treasury and officials. We trust that this report provides helpful feedback to the Government and allows for greater consideration for potential reforms to the tax policy-making process.



Christopher Sanger  
Chair, and on behalf of, the Tax Professionals' Forum

## Executive summary

The independent members of HM Treasury's Tax Professionals' Forum (the Forum) welcome the continued commitment of the Government to the tax policy-making process. This Report covers the period from 14 December 2019 to 22 February 2024.

This period is particularly unusual, as, whilst it covers Budgets, Economic Statements and Finance Acts, it also includes a number of "mini-Budgets" and other forms of policy statements outside of the usual Budget cycle. Many of these were prompted by the extraordinary circumstances in which policy-makers, facing the onset of COVID-19, found themselves.

The Forum welcomes the opportunity provided of discussing its views with the Financial Secretary to the Treasury, the minutes of which are published on the HM Treasury website. This report supplements the discussion in that meeting and recommends that the Government should:

- **Review the five-stage policy model, with a view to updating it, including explicit recognition for the role of "Calls for Evidence".** [See Recommendation 1]
- **Adopt a "comply or explain" approach in relation to commencing consultation other than at the start of the five-stage process** [See Recommendation 1]
- **Provide a central on-line location for all consultations on taxation** [See Recommendation 2]
- **Adopt a new format for displaying consultations and their connected documents, including creating a formal PDF of a consultation where a webpage is being used for the consultation, and make it available for download** [See Recommendation 2]
- **Consult in advance of agreeing to binding international tax policies** [See Recommendation 3]
- **Amend the Protocol on Unscheduled Announcements to put beyond doubt that it encompasses all unscheduled announcements** [See Protocol recommendations]
- **Revise the policy consultation process to incorporate techniques that led to successes in rapid consultation during the pandemic** [See Protocol recommendations]

# 1. Introduction

This report covers a review of the tax policy processes carried out in the period between 14 December 2019<sup>1</sup> and 22 February 2024, the date at which the Finance Act 2024 received Royal Assent.

The previous report provided a review of the last ten years of policy-making, drawing together the analysis of the previous six reports and supplementing it with the findings of the covered period, producing a consolidated view of areas to be focused on in the future. This report, in contrast, seeks to bring out the key lessons from the current period. It also aims to provide this in a more concise format, focussing on drawing out the key lessons with examples, rather than including greater detail on the actual consultations. Lastly, it seeks to identify ways in which the lessons learnt in consultations up to today can help in designing policies and consultations in the future.

The covered period (from 14 December 2019 to 22 February 2024) included the following:

<b>Year</b>	<b>Spring</b>	<b>Autumn</b>
2020	Budget	Statement
2021	Budget	Budget
2022	Statement	Statement
2023	Budget	Statement

During this period, there were six Finance Bills<sup>2</sup>. In addition, due to the need for rapid policy decisions during the COVID-19 pandemic period, there were also a number of “mini-Budgets” (being events that were not fiscal events and therefore did not include fiscal forecasts).

The report considers the effectiveness of such processes, including processes adopted during the COVID-19 period, and provides perspectives and recommendations for enhancing policy-making in the future.

<sup>1</sup> Our previous seven reports covered the period up to 13 December 2019.

<sup>2</sup> These were as follows:

<b>Bill</b>	<b>Publication date</b>	<b>Act</b>	<b>Royal Assent</b>
Finance Bill 2023-24	29 November 2023	Finance Act 2024	22 February 2024
Spring Finance Bill 2023	23 March 2023	Finance (No. 2) Act 2023	11 July 2023
Autumn Finance Bill 2022	22 November 2022	Finance Act 2023	10 January 2023
Finance (No. 2) Bill 2021	4 November 2021	Finance Act 2022	24 February 2022
Finance (No. 2) Bill 2019–21	11 March 2021	Finance Act 2021	10 June 2021
Finance Bill 2020	19 March 2020	Finance Act 2020	22 July 2020

## 2. Findings from this period

Many of the findings of this report build on items raised in previous reports. The Forum recognises that, in many cases, progress has been made in achieving these recommendations, but believes that there is more that can be done in the future to achieve the best practice goals that have been set out by the Government.

### 2.1 Recommendation 1 – Refresh the five-stage policy model

As we noted in our meeting with the Financial Secretary on 24 October 2023<sup>3</sup>, during this period of review there were “instances during this period where the government had effectively engaged with stakeholders in a novel and rapid manner”. At that meeting, we “suggested that there could be lessons learnt for broader tax policy making from these experiences”.

In reflecting further on this point, **the Forum believes that the Government should review the five-stage policy model, with a view to updating it, including explicitly recognising the role of “Calls for Evidence”**. We also noted that consultations by the Office for Tax Simplification should be included in the framework, a recommendation which has been superseded by the dissolution of the OTS.

Our previous reports have noted that consultations should explicitly identify at what stage the consultation is being made, as well as identify reasons why any previous consultation stages have not occurred. **We remain of the view that this “comply or explain” approach is important in relation to commencing consultation other than at the start of the five-stage process**. This will assist consultees in responding and, more widely, in providing clarity as to the Government’s tax policy-making approach.

Example: Consultations starting beyond Stage 1

The consultation on sovereign immunity from direct taxation was published on 4 July 2022 without an explicit statement of the stage in the five-stage framework at which it was held. The consultation appears to have begun somewhere between Stage 1 and Stage 2.

Additionally, the consultation on the Residential Property Developer Tax, released on 29 April 2021, did not begin at Stage 1.

Neither consultation explained why a Stage 1 consultation had not been issued.

The Forum also considers that the dates of consultations and links to the underlying documents should be made more readily available, both during the consultation period and also as a record of the process and outcomes of the consultation. This is considered further in relation to the discussion of communications below.

### 2.2 Recommendation 2 – Communications and publications

The Forum commends the Government for considering the best ways to communicate and for seeking to ensure that information is accessible. However, the Forum remains concerned that the current use of webpages on gov.uk, as opposed to the production of formal consultation documents, is giving rise to difficulties in consultation and could undermine the benefits of consultation in the future.

In the past, consultations were launched as separate documents and could be downloaded as PDF files, which could be stored and reviewed as needed. During this period, we have seen a number of consultations which have been produced only as html webpages on gov.uk. In practice, this means that consultees will often seek to print the webpages to PDF. This is both inefficient (imposing a small additional burden on a lot of people, rather than once for HMT/HMRC) and can undermine the benefit

<sup>3</sup> See minutes: [https://assets.publishing.service.gov.uk/media/655f347eaa329f0013e5628c/2023-10-24\\_FST\\_TPF\\_minutes\\_OFFICIAL\\_vfinal.pdf](https://assets.publishing.service.gov.uk/media/655f347eaa329f0013e5628c/2023-10-24_FST_TPF_minutes_OFFICIAL_vfinal.pdf)

of the consultation, since the document is harder to retain and refer to in the future. **The Forum therefore recommends that, where a webpage is being used for the consultation, a formal PDF of the consultation document is also created and made available for download.**

The Forum is also concerned that it can be hard to track the history of consultation and **recommends that the Government adopts a new format for displaying consultations and their connected documents**, adopting best practice in relation to providing ease of visibility over the consultations. As discussed with the Financial Secretary, external stakeholders should be able to see a record and roadmap of policy-making for individual measures. This will promote openness and transparency in tax policy-making, and we welcome the opportunity provided to engage with officials on ways to improve the government's platforms.

In considering best practice, the Forum has noted that Parliament's annual Finance Bill website<sup>4</sup> is an example of good practice for publication of information, as the website pages clearly lay out the stages and progress of the Finance Bill. The page also groups together news and publications that relate to the Finance Bill. A similar format would be beneficial for guidance and consultations as it is simpler to follow.

Finally, the history of consultation provides valuable insight as to the policy-making process and can inform future policy-makers who may be looking at similar areas. **The Forum therefore believes that the Government should provide a central on-line location for all consultations on taxation**, linked directly to previous consultations. This would go beyond the central government search engine which can be used to identify individual consultations and would identify all the stages of consultation, the documents (in PDF as noted above), the summary of responses and the government's conclusions. This would be maintained across Parliaments and would avoid the risk of loss of memory as policy officials change roles.

## 2.3 Recommendation 3 – Consultation ahead of international tax legislation

The Forum remains of the view that, in discussing such issues at an international forum, such as the Organisation for Economic Co-operation and Development ("OECD") and the United Nations, the UK Government representatives need to understand the impact of these policies on UK taxpayers. **The Government should consult to understand the policy perspectives of affected taxpayers in advance of agreeing to binding international tax policies.**

Example: the Inclusive Framework on Base Erosion and Profit Shifting ("IF")

The consultation on the implementation into UK domestic law of the IF's global minimum tax took place from 11 January 2022 to 4 April 2022. This consultation related to the introduction of a 15% minimum effective corporate profits tax for the largest multinationals that had already been agreed by the IF members in October 2021. At the time of the consultation, the Model Rules for the introduction of that tax had been published by the OECD, but the Commentary to the Model Rules had yet to be published, and the Implementation Framework was still being worked on.

In those circumstances – as the consultation made clear – the policy, design framework, and majority of the detailed provisions for the tax had already been agreed at the IF level. For that reason, the consultation was not on the policy rationale nor on the majority of the design features. Instead, the consultation focused, in principle, on the UK implementation into domestic law of the Pillar 2 proposals which had already been agreed. In effect, most of the detailed rules for Pillar 2 were already fixed by the time of the consultation.

The Forum has identified previously the dilemma that arises from the fact that the United Kingdom has a published policy of consultation on tax reform, and yet important issues relating to taxation, particularly of corporate groups, are being agreed at an international level, particularly at the OECD, without prior consultation in the UK.

Notwithstanding the fact that discussions with other governments are confidential, the Forum considers that the Government should find ways to consult as part of the process of formulating the

<sup>4</sup> For example, [Finance Act 2024 - Parliamentary Bills - UK Parliament](#)

UK's policy in these areas. There are a number of different ways to consult and how to enable consultation on matters being discussed internationally should be considered explicitly in an updated consultation framework. That framework should acknowledge that consultation undertaken by international bodies is not a reason for the UK to abrogate its commitment to policy consultation.



### 3. Unscheduled announcements

The “Protocol on unscheduled announcements of changes to tax law” (“the Protocol” as set out in the Appendix) was published in March 2011 and is intended to reinforce “the Government’s commitment to improve the stability of the tax system, at the same time as allowing decisive action when risks to the Exchequer are identified”. It spans two situations: first, where legislation is announced outside a Budget, and, secondly, where legislation takes effect from a date earlier than the date of announcement (i.e., retrospective). In previous reports, the Forum has recommended that the Protocol should be improved in relation to retrospective legislation.

#### 3.1 Application of the Protocol beyond anti-avoidance

The Forum has previously recommended that the Protocol be amended or supplemented to provide greater certainty for taxpayers on when retrospective tax legislation is regarded as permissible. In the Government’s response to the Forum’s seventh report, the Financial Secretary noted that “the Protocol is intended to cover anti-avoidance tax legislation and the Government believes it would be inappropriate to alter it to cover a wider set of situations.”<sup>5</sup> The Forum has operated on the basis that the Protocol, although originally developed in response to a concern in relation the introduction of anti-avoidance legislation, applies to all legislation, whether anti-avoidance or not. Indeed, it is noted that the Protocol makes no reference to anti-avoidance, although the exceptions are phrased in relation to risk.

The Forum considers that the impact of unscheduled announcements extends beyond anti-avoidance, and therefore **recommends that the wording of the Protocol should be expanded to put beyond doubt that it encompasses all unscheduled announcements.**

#### 3.2 Retrospective legislation

The Forum is tasked with reviewing the use of retrospective legislation. During this period, the Government announced retrospective tax legislation on 27 October 2021 in the Finance (No.2) Bill 2021-2022. The provision announced was to ensure that HMRC could use a discovery assessment to recover certain tax charges including the High-Income Child Benefit Charge. This was following a decision by the Upper Tribunal [*R & C Commrs v Wilkes* [2021] UKUT 150 (TCC)] which had established that the High Income Child Benefit Charge could not be subject to a discovery assessment.<sup>6</sup>

The Financial Secretary to the Treasury, Lucy Frazer, stated that retrospection was

“necessary for two reasons:

- first, to protect public services by ensuring that tax that is properly due and that has been charged and paid through discovery assessments over a number of years remains undisturbed; and
- secondly to provide fairness to the general body of taxpayers who have declared their liability, submitted their returns and paid their tax.

The retrospective element applies only to the use of discovery assessments where taxpayers subject to such charges have neither notified HMRC of their liability nor submitted a tax return; it does not affect anyone’s tax liability. It is important to emphasise that although this is retrospective legislation, it is not retrospective taxation.”<sup>7</sup>

According to the statement, this retrospective legislation was required to prevent losses to the Exchequer. As the announcement was publicly made in the Budget, the protocols regarding Written Ministerial Statements do not apply here. An accompanying policy paper was published on the same date as the Budget, detailing the policy objectives and a summary of the Exchequer impacts. The legislation was to be included in the next Finance Bill,

<sup>5</sup> [Government response to the independent annual report of 2 March 2021.pdf \(publishing.service.gov.uk\)](#)

<sup>6</sup> [CBP-8631.pdf \(parliament.uk\)](#)

<sup>7</sup> [CBP-8631.pdf \(parliament.uk\)](#)

On the basis of the above, in the view of the Forum the Government has adhered to the Protocol with respect to retrospective legislation for the period.

### 3.3 COVID-19 period

The COVID-19 pandemic and its policy response is a good example of non-avoidance measure that should be covered by the Protocol. The pandemic required the Government to act at a speed not previously envisaged. In response to the pandemic, the Government announced a number of emergency changes which introduced new tax measures outside of the Budget process. For example, the 2020 Spring Budget was held on 11 March 2020, and further COVID-19 tax measures (such as the deferral of the next quarter's VAT liability) were announced on 20 March 2020. In such a situation, the Protocol requires:

- A Minister to make a public announcement of the intention to change the law and make clear that the change will take effect before the legislation is enacted;
- The public announcement to be accompanied by the technical detail necessary to amount to a sufficiently clear warning of the nature of the change and its timing;
- HM Revenue & Customs (HMRC) to publish the Written Ministerial Statement and draft clauses on the HMRC website as soon as practicable after the announcement to Parliament. If, exceptionally, draft clauses cannot be published on the day of the announcement, a detailed technical note explaining the nature of the proposed change and the reasons for it should accompany the announcement; and
- Legislation to give the measure effect to be included in the next available Finance Bill.

These requirements were broadly met during the extraordinary pandemic period, and this shows that the Protocol is robust to such extreme situations. Indeed, the Protocol can be seen to be a roadmap for what is needed in such situations.

This experience reinforces the Forum's view that the Protocol requires further amendment to ensure that it applies in such unforeseeable urgent circumstances.

#### 3.3.1 Extended duration of consultations

On 28 April 2020, the Treasury released a written statement by the Financial Secretary, Jesse Norman, that the deadline for the 11 tax policy consultations released in Budget 2020 would be extended for three months to allow stakeholders to engage fully. This was on the basis that the government understood that stakeholders were facing disruption due to COVID-19 and therefore wanted to provide adequate time for stakeholders to provide their views. The statement also announced that there would be a delay in the publication of certain documents until Autumn 2020.<sup>8</sup> The Forum welcomes the decision to extend consultation periods as required in light of the impacts of COVID-19 to allow for proper feedback to be given on such consultations.

The Forum believes that it is important for the Government to reflect on how consultation may be carried out effectively on a significantly shorter time scale, should similar circumstances arise in the future.

#### 3.3.2 Lessons from consultation in a time of crisis

The government has published some evaluations of COVID-19 measures, an example of which is the Coronavirus Job Retention Scheme (CJRS). The Forum welcomes such evaluations as an opportunity to identify insights which may be valuable for future policy-making. An interim evaluation was conducted in October 2022 to set out findings on the early stages of the CJRS, specifically March to October 2020. The interim evaluation notes that HMT and HMRC officials engaged with employers and trade bodies to understand the practicalities of applying for the scheme for employers.

The evaluation document states that the policy and claims service were developed in tandem through a project team set up on a "hub and spoke" model, in which the central hub used a core team to coordinate different areas of the business and decision making and the spokes were delivery partners such as IT and compliance. The evaluation clearly highlights that this deviates from standard policy

<sup>8</sup> Update on tax policy documents, Statement made on 28 April 2020, UK Parliament, [Written statements - Written questions, answers and statements - UK Parliament](#)

making processes which are more linear in approach in which elements are designed sequentially, and that continual assessments were made over time to determine if policy changes were required. Whilst designing the policies and service elements simultaneously may inevitably lead to some inefficiencies, at the height of the pandemic, non-tax policy development demonstrated that it is possible to consult with a large number of people in a very short time. Such success should embolden the Government to look to adopt such approaches when the standard consultation framework is not possible.

The final evaluation for the CJRS, published on 17 July 2023, considers processes for managing future crises, noting that the CJRS scheme was delivered at pace by focusing on simple and deliverable designs initially, with complexity added in over time. Coordination between HMRC and HMT from the beginning on policy was a key factor in successfully delivering the policy at pace.

Given the above, as discussed in our meeting with the Financial Secretary, **the Forum believes that the policy consultation process should be revised to incorporate techniques that led to successes in rapid consultation during the pandemic.** We therefore recommend that the revised policy model should include:

- The use of digital methods for consulting, that allow rapid analysis of the responses by HMT and HMRC. This can include bespoke consultation platforms, as used during the pandemic, as well as simpler survey tools that can be used to validate responses.
- Linking the consultation document to the underlying data that is helpful to potential respondents to the consultation.
- Greater use of online conferencing facilities, to allow many more potential respondents to hear first-hand the background to the consultations. These can be recorded and made available on the website, so that the benefit of such explanations are made available to more than those few able to attend.

## Appendix A Consultations released in the period

The Forum notes that it is difficult to identify a definitive reference source for the consultations that have been launched in a given period. The following is a list drawn from government websites and other reference sources. It is provided as a hopefully helpful list of consultations and an indication of the volume of consultation across the period. It should not be considered to be an exhaustive list, and reinforces the Forum's recommendation that the government considers producing a reference source of consultation data.

<b>Consultation title</b>	<b>Issuing body</b>	<b>Document type</b>	<b>Date published</b>	<b>Date of consultation closure</b>	<b>Current status*</b>
Claims and elections call for evidence	OTS	Call for evidence	11-Feb-20	08-May-20	Closed
HMRC Charter	HMRC	Consultation	24-Feb-20	15-Aug-20	Concluded
Plastic Packaging Tax: Consultation	HMRC	Consultation	11-Mar-20	20-Aug-20	Concluded
Vehicle Excise Duty: call for evidence	HMT	Call for evidence	11-Mar-20	03-Sep-20	Closed
A consultation on duty-free and tax-free goods carried by passengers	HMRC & HMT	Consultation	11-Mar-20	20-May-20	Concluded
Tax treatment of asset holding companies in alternative fund structures	HMT	Consultation	11-Mar-20	19-Aug-20	Concluded
Consultation on the taxation impacts arising from the withdrawal of LIBOR	HMRC	Consultation	19-Mar-20	28-Aug-20	Concluded
Call for evidence: raising standards in the tax advice market	HMRC	Call for evidence	19-Mar-20	28-Aug-20	Closed
Hybrid and other mismatches	HMRC	Consultation	19-Mar-20	29-Aug-20	Concluded
Notification of uncertain tax treatment by large businesses	HMRC	Consultation	19-Mar-20	27-Aug-20	Concluded
Preventing abuse of the R&D tax relief for SMEs: second consultation	HMRC & HMT	Consultation	19-Mar-20	28-Aug-20	Concluded
Tackling Construction Industry Scheme abuse	HMRC	Consultation	19-Mar-20	28-Aug-20	Concluded
Draft legislation: Taxation of coronavirus (COVID-19) support payments	HMRC	Consultation	29-May-20	12-Jun-20	Analysing feedback
Draft legislation: The Value Added Tax (Refund of Tax to the Charter Trustees for Bournemouth and the Charter Trustees for Poole) Order 2020	HMRC	Consultation	30-Jun-20	28-Jul-20	Analysing feedback
Consultation on reforms to the tax treatment of red diesel and other rebated fuels	HMT	Consultation	09-Jul-20	01-Oct-20	Concluded
Draft regulations: amendment to the Bank Levy rules on deductions for certain loss absorbing instruments	HMRC	Consultation	13-Jul-20	10-Aug-20	Concluded
OTS Capital Gains Tax review call for evidence and survey	OTS	Call for evidence	14-Jul-20	09-Nov-20	Closed
Review of Business Rates – Call for Evidence	HMT	Call for evidence	21-Jul-20	31-Oct-20	Concluded
Call for evidence on pensions tax administration	HMT	Call for evidence	20-Jul-20	13-Oct-20	Closed

Economic Crime Levy	HMT	Consultation	21-Jul-20	14-Oct-20	Concluded
The scope of qualifying expenditures for R&D Tax Credits: consultation	HMRC & HMT	Consultation	21-Jul-20	13-Oct-20	Concluded
Carbon emissions tax	HMRC & HMT	Consultation	21-Jul-20	29-Sep-20	Concluded
Tackling promoters of tax avoidance	HMRC	Consultation	21-Jul-20	15-Sep-20	Concluded
Call for evidence: modernisation of the stamp taxes on shares framework	HMRC	Call for evidence	21-Jul-20	13-Oct-20	Closed
Call for evidence: tackling disguised remuneration tax avoidance	HMRC	Call for evidence	21-Jul-20	30-Sep-20	Closed
Supporting veterans' transition to civilian life through employment	HMRC	Consultation	21-Jul-20	05-Oct-20	Concluded
Draft Legislation: The Value Added Tax (Refund of Tax to Museums and Galleries) (Amendment) Order 2020	HMRC	Consultation	18-Aug-20	15-Sep-20	Analysing feedback
VAT and the Public Sector: Reform to VAT Refund Rules	HMT	Consultation	27-Aug-20	19-Nov-20	Concluded
Draft legislation: The Stamp Duty Land Tax (Administration) (Amendment) Regulations 2021	HMRC	Consultation	26-Oct-20	23-Nov-20	Analysing feedback
ISAs and authorised open ended property funds	HMRC	Consultation	28-Oct-20	13-Dec-20	Closed
Draft regulations: The UK Property Rich Collective Investment Vehicles (Amendment of the Taxation of Chargeable Gains Act 1992) Regulations 2021	HMRC	Consultation	04-Nov-20	16-Dec-20	Analysing feedback
Insurance Premium Tax: administration and unfair outcomes	HMRC	Consultation	05-Nov-20	05-Feb-21	Concluded
Making Tax Digital: Corporation Tax	HMRC	Consultation	12-Nov-20	05-Mar-21	Concluded
Sanctions to tackle tobacco duty evasion	HMRC	Consultation	01-Dec-20	23-Feb-21	Concluded
VAT and the Sharing Economy	HMT	Consultation	09-Dec-20	03-Mar-21	Concluded
Taxation of asset holding companies in alternative fund structures	HMT	Consultation	15-Dec-20	23-Feb-21	Concluded
Follower Notices and penalties	HMRC	Consultation	16-Dec-20	27-Jan-21	Concluded
VAT and value shifting	HMRC	Consultation	05-Jan-21	30-Mar-21	Concluded
Small Brewers Relief (SBR): technical consultation	HMT	Consultation	07-Jan-21	04-Apr-21	Concluded
Draft legislation: zero-rate secondary Class 1 contributions for veterans	HMRC	Consultation	11-Jan-21	08-Mar-21	Analysing feedback
Discussion document: helping taxpayers get offshore tax right	HMRC	Consultation	25-Jan-21	15-Jun-21	Concluded
Making tax easier through smarter use of third party data	OTS	Consultation	27-Jan-21	09-Apr-21	Concluded
Consultation on reduction and consolidation of HMRC statistics publications	HMRC	Consultation	08-Feb-21	12-Mar-21	Concluded
Enterprise Management Incentives	HMT	Consultation	03-Mar-21	26-May-21	Concluded
R&D tax reliefs	HMRC & HMT	Consultation	03-Mar-21	02-Jun-21	Concluded
Transfer pricing documentation	HMRC	Consultation	23-Mar-21	01-Jun-21	Concluded
Reform of taxation of securitisation companies	HMRC & HMT	Consultation	23-Mar-21	03-Jun-21	Concluded

Aviation tax reform	HMT	Consultation	23-Mar-21	14-Jun-21	Concluded
Discussion document: preventing and collecting international tax debt	HMRC	Consultation	23-Mar-21	15-Jun-21	Concluded
Aggregates Levy: proposals on the treatment of aggregate removed during construction works	HMRC	Consultation	23-Mar-21	15-Jun-21	Concluded
Clamping down on promoters of tax avoidance	HMRC	Consultation	23-Mar-21	01-Jun-21	Concluded
Hidden economy conditionality – Northern Ireland and Scotland	HMRC	Consultation	23-Mar-21	05-Jul-21	Concluded
The tax administration framework: supporting a 21st century tax system	HMRC	Call for evidence	23-Mar-21	13-Jul-21	Concluded
Timely payment	HMRC	Call for evidence	23-Mar-21	13-Jul-21	Concluded
Raising standards in the tax advice market	HMRC	Consultation	23-Mar-21	15-Jun-21	Concluded
Notification of uncertain tax treatment by large businesses	HMRC	Consultation	23-Mar-21	01-Jun-21	Concluded
Residential Property Developer Tax: consultation	HMT	Consultation	29-Apr-21	22-Jul-21	Concluded
Simplifying the VAT land exemption	HMRC	Call for evidence	12-May-21	03-Aug-21	Concluded
Draft regulations: DOTAS, DASVOIT and POTAS regimes	HMRC	Consultation	17-May-21	13-Jun-21	Analysing feedback
HM Treasury fundamental review of business rates	HMT	Consultation	29-Jun-21	24-Aug-21	Concluded
Draft legislation: The Value Added Tax (Treatment of Transactions) (Revocation) Order 2021	HMRC	Consultation	20-Jul-21	17-Aug-21	Concluded
Basis period reform	HMRC	Consultation	20-Jul-21	31-Aug-21	Concluded
Reporting rules for digital platforms	HMRC	Consultation	30-Jul-21	22-Oct-21	Concluded
Draft regulations: tax conditionality for the hidden economy	HMRC	Consultation	22-Oct-21	18-Nov-21	Analysing feedback
Corporate re-domiciliation	HMRC & HMT	Consultation	27-Oct-21	07-Jan-22	Concluded
The new alcohol duty system	HMRC & HMT	Consultation	27-Oct-21	30-Jan-22	Concluded
Technical consultation on Plastic Packaging Tax (General) Regulations 2021	HMRC	Consultation	04-Nov-21	01-Dec-21	Analysing feedback
Draft regulations: The Taxation of Banks (Amendments to the Corporation Tax Act 2009, Corporation Tax Act 2010 and Finance Act 2011) Regulations 2022	HMRC	Consultation	30-Nov-21	14-Jan-22	Concluded
Draft regulations: Mandatory Disclosure Rules	HMRC	Consultation	30-Nov-21	08-Feb-22	Concluded
Stamp Duty Land Tax: mixed-property purchases and Multiple Dwellings Relief	HMRC	Consultation	30-Nov-21	22-Feb-22	Concluded
ISA compliance and penalties	HMRC	Call for evidence	30-Nov-21	21-Feb-22	Closed
Business Rates Review: technical consultation	HMT	Consultation	30-Nov-21	22-Feb-22	Concluded
Corporation Tax: response to accounting changes for insurance contracts	HMRC	Consultation	30-Nov-21	22-Feb-22	Concluded
Landfill Tax Review: call for evidence	HMT	Call for evidence	30-Nov-21	22-Feb-22	Concluded



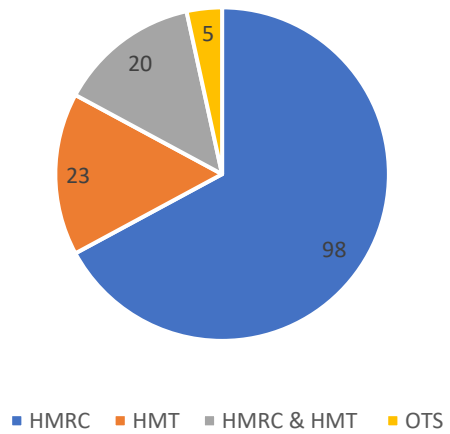
ITSA registration for the self-employed and landlords	HMRC	Call for evidence	30-Nov-21	22-Mar-22	Concluded
Call for Evidence: umbrella company market	HMRC & HMT	Call for evidence	30-Nov-21	22-Feb-22	Concluded
Modernising tax debt collection from non-paying businesses	HMRC	Call for evidence	30-Nov-21	22-Feb-22	Concluded
OECD Pillar 2 – Consultation on Implementation	HMRC & HMT	Consultation	11-Jan-22	04-Apr-22	Concluded
Technical consultation: Uncertain Tax Treatment guidance	HMRC	Consultation	18-Jan-22	01-Feb-22	Concluded
Call for Evidence: An Independent Customs Regime	HMRC & HMT	Call for evidence	07-Feb-22	02-May-22	Concluded
Draft regulations: The Alternative Finance (Income Tax, Capital Gains Tax and Corporation Tax) Order 2022	HMRC	Consultation	11-Feb-22	11-Mar-22	Concluded
Online Sales Tax: Policy Consultation	HMT	Consultation	25-Feb-22	20-May-22	Concluded
Review of Property Income - Survey and Call for Evidence	OTS	Call for evidence	17-Mar-22	05-Jun-22	Closed
Income Tax: Low income trusts and estates	HMRC	Consultation	15-Apr-22	18-Jul-22	Concluded
Draft regulations: amendment to the Hybrid and Other Mismatches rules to retain an exemption for certain hybrid instruments issued by banks	HMRC	Consultation	19-May-22	30-Jun-22	Concluded
Expanding the Investment Transactions List for the Investment Management Exemption and other fund tax regimes	HMRC	Consultation	23-May-22	18-Jul-22	Concluded
Raising standards in tax advice: protecting customers claiming repayments	HMRC	Consultation	22-Jun-22	14-Sep-22	Concluded
Draft legislation: The Stamp Duty Land Tax (Service of Documents) Regulations 2022	HMRC	Consultation	24-Jun-22	22-Jul-22	Concluded
Tertiary legislation for Making Tax Digital for Income Tax	HMRC	Consultation	01-Jul-22	28-Jul-22	Analysing feedback
Sovereign immunity from direct taxation: consultation on policy design	HMRC & HMT	Consultation	04-Jul-22	12-Sep-22	Closed
The taxation of decentralised finance involving the lending and staking of cryptoassets	HMRC	Call for evidence	05-Jul-22	31-Aug-22	Concluded
Digitalising Business Rates: connecting business rates and tax data	HMRC	Consultation	20-Jul-22	30-Sep-22	Concluded
Review of hybrid and distance working - call for evidence	OTS	Call for evidence	31-Aug-22	28-Oct-22	Closed
Improving the data HMRC collects from its customers	HMRC	Consultation	20-Jul-22	16-Oct-22	Concluded
(Draft) The Insurance Contracts (Tax) (Change in Accounting Standards) and the Finance Act 2022 (Part 2 of schedule 5) Commencement and Transitional Provisions Regulations 2022	HMRC	Consultation	26-Sep-22	07-Oct-22	Analysing feedback
Audio-visual tax reliefs	HMT	Consultation	17-Nov-22	09-Feb-23	Concluded
Draft legislation: The Value Added Tax (Refund of Tax) Order 2023	HMRC	Consultation	23-Nov-22	21-Dec-22	Concluded
Draft legislation: The Indirect Taxes (Notifiable Arrangements) (Amendment) Regulations 2023	HMRC	Consultation	05-Dec-22	15-Jan-23	Concluded
VAT treatment of fund management: consultation	HMT	Consultation	09-Dec-22	03-Feb-23	Concluded

Draft guidance: Research and Development (R&D) tax reliefs	HMRC	Consultation	20-Dec-22	28-Feb-23	Concluded
Draft regulations: The Transfer Pricing Records Regulations 2023	HMT	Consultation	21-Dec-22	31-Jan-23	Concluded
R&D Tax Reliefs Review: Consultation on a single scheme	HMRC & HMT	Consultation	13-Jan-23	13-Mar-23	Concluded
Draft regulations: Alcoholic Products (Excise Duty) Regulations	HMRC	Consultation	13-Feb-23	09-Apr-23	Concluded
Expanding the cash basis	HMRC	Consultation	15-Mar-23	07-Jun-23	Closed
VAT energy saving materials relief — improving energy efficiency and reducing carbon emissions	HMRC	Consultation	15-Mar-23	31-May-23	Closed
Taxation of environmental land management and ecosystem service markets	HMRC & HMT	Consultation	15-Mar-23	09-Jun-23	Closed
Simplifying and modernising HMRC's Income Tax services through the tax administration framework	HMRC	Consultation	15-Mar-23	07-Jun-23	Concluded
Draft regulations: VAT provisions for drink deposit return schemes	HMRC	Consultation	29-Mar-23	17-May-23	Analysing feedback
Draft regulations: The Tobacco Products (Traceability and Security Features) (Amendment) Regulations	HMRC	Consultation	11-Apr-23	23-May-23	Concluded
Reserved Investor Fund consultation	HMRC & HMT	Consultation	27-Apr-23	09-Jun-23	Closed
Stamp Taxes on Shares modernisation	HMRC	Consultation	27-Apr-23	22-Jun-23	Closed
The taxation of decentralised finance (DeFi) involving the lending and staking of cryptoassets	HMRC	Consultation	27-Apr-23	22-Jun-23	Closed
Charities Tax compliance	HMRC	Consultation	27-Apr-23	20-Jul-23	Closed
Construction Industry Scheme reform	HMRC	Consultation	27-Apr-23	20-Jul-23	Closed
The Tax Administration Framework Review: Creating innovative change through new legislative pilots	HMRC	Consultation	27-Apr-23	20-Jul-23	Closed
Tax Administration Framework Review, Information and Data	HMRC	Consultation	27-Apr-23	20-Jul-23	Closed
Tougher Consequences for Promoters of Tax Avoidance	HMRC	Consultation	27-Apr-23	22-Jun-23	Closed
Customs treatment of post and parcel exports	HMRC	Consultation	27-Apr-23	20-Jul-23	Closed
Help to Save	HMT	Consultation	27-Apr-23	22-Jun-23	Closed
Off-payroll working (IR35): calculation of PAYE liability in cases of non-compliance	HMRC	Consultation	27-Apr-23	22-Jun-23	Closed
Draft regulations: The Plastic Packaging Tax (General) (Amendment) Regulations 2023	HMRC	Consultation	09-May-23	22-May-23	Analysing feedback
Non-Discretionary Tax-Advantaged Share Schemes: Call for Evidence	HMT	Call for evidence	17-May-23	25-Aug-23	Concluded
Tackling non-compliance in the umbrella company market	HMRC & HMT	Consultation	06-Jun-23	29-Aug-23	Open
Draft guidance: multinational top-up tax and domestic top-up tax	HMRC	Consultation	15-Jun-23	12-Sep-23	Analysing feedback

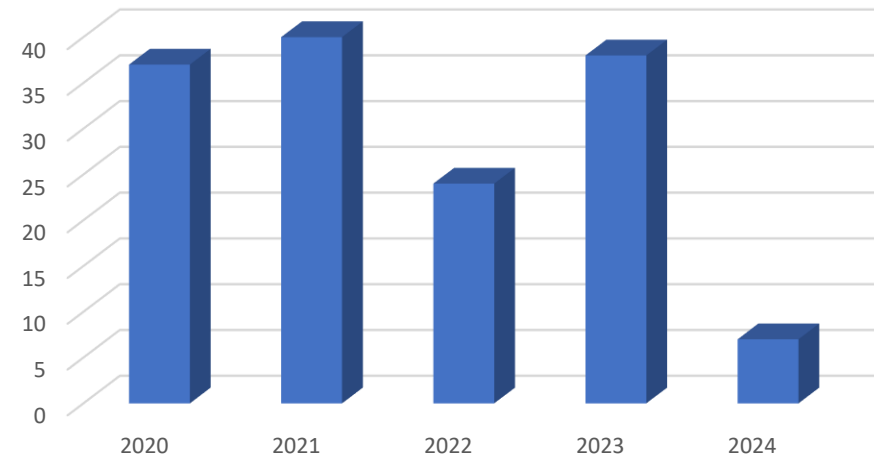


Reform of UK law in relation to transfer pricing, permanent establishment and Diverted Profits Tax	HMRC	Consultation	19-Jun-23	14-Aug-23	Concluded
The future of customs declarations	HMRC	Call for evidence	29-Jun-23	08-Sep-23	Analysing feedback
Bringing goods into the UK temporarily	HMRC	Call for evidence	29-Jun-23	22-Sep-23	Analysing feedback
Business Rates Avoidance and Evasion: Consultation	HMT	Consultation	06-Jul-23	28-Sep-23	Analysing feedback
Taxation of Employee Ownership Trusts and Employee Benefit Trusts	HMRC	Consultation	18-Jul-23	25-Sep-23	Open
Mass Balance Approach to Account for Chemically Recycled Plastic for Plastic Packaging Tax	HMRC	Consultation	18-Jul-23	10-Oct-23	Open
Legislative reform of the Terminal Markets Order	HMRC & HMT	Consultation	18-Jul-23	12-Sep-23	Open
Joint HMT-HMRC consultation on tax incentives for occupational health	HMRC & HMT	Consultation	20-Jul-23	12-Oct-23	Open
Draft regulations: The Insurance Companies ("The Long-term Business Fixed Capital") Regulations 2023	HMRC	Consultation	29-Aug-23	26-Sep-23	Analysing feedback
Draft regulations: proposed amendments in respect of salary advances	HMRC	Consultation	11-Sep-23	09-Oct-23	Analysing feedback
Draft regulations: Electronic Sales Suppression	HMRC	Consultation	30-Oct-23	24-Nov-23	Analysing feedback
Draft legislation: Income Tax (Digital Requirements)(Amendment) Regulations 2024	HMRC	Consultation	07-Dec-23	12-Jan-24	Analysing feedback
Construction Industry Scheme (CIS) proposed amendments	HMRC	Consultation	12-Dec-23	09-Jan-24	Analysing feedback
Draft guidance on Multinational Top-up Tax and Domestic Top-up Tax	HMRC	Consultation	21-Dec-23	07-Feb-24	Open
Transparency of land ownership involving trusts consultation	HMRC & HMT	Consultation	27-Dec-23	21-Feb-24	Analysing feedback
Tax Simplification for Alternative Finance	HMRC & HMT	Consultation	16-Jan-24	09-Apr-24	Open
Calculating PAYE liabilities in cases of non-compliance for off-payroll working (IR35)	HMRC	Consultation	25-Jan-24	22-Feb-24	Analysing feedback
The Finance Act 2004 (Registered Pension Schemes and Annual Allowance Charge) Order 2024	HMRC	Consultation	29-Jan-24	26-Feb-24	Analysing feedback
Draft regulations: amendment to The Mutual Societies (Transfers of Business) (Tax) Regulations 2009	HMRC	Consultation	31-Jan-24	28-Feb-24	Analysing feedback
Draft regulations: The Alcoholic Products (Excise Duty) (Amendment) Regulations 2024	HMRC	Consultation	05-Feb-24	18-Mar-24	Analysing feedback
Draft guidance: Research and Development (R&D) tax reliefs: new contracting out rules and overseas restrictions	HMRC	Consultation	09-Feb-24	01-Mar-24	Analysing feedback
The Tax Administration Framework Review: enquiry and assessment powers, penalties, safeguards	HMRC	Call for evidence	15-Feb-24	09-May-24	Open

Issuing body of consultations

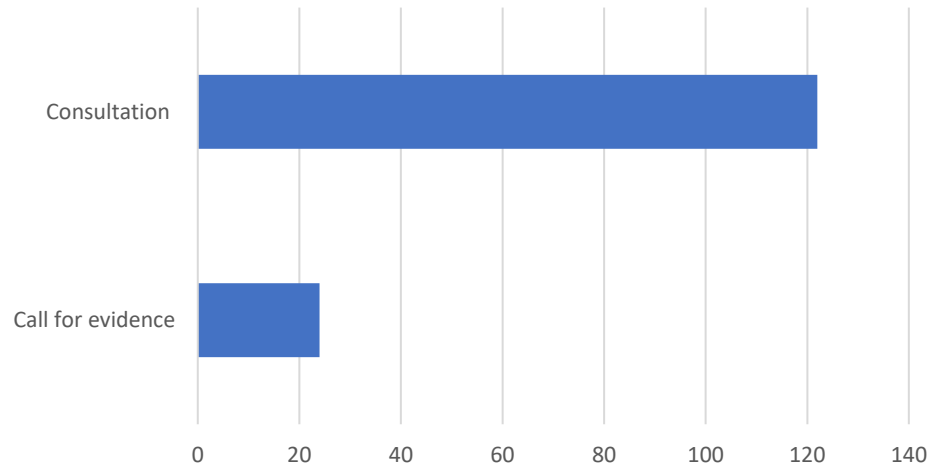


Number of consultations per year\*



\*2024 figures include until 22 February 2024

Type of consultation



## Appendix B Protocol on unscheduled announcements of changes in tax law

The Government has made clear its aim to strike the right balance between restoring the UK tax system's reputation for predictability, stability and simplicity and preserving the ability to protect the Exchequer by making changes where necessary. In particular, changes to tax legislation where the change takes effect from a date earlier than the date of announcement will be wholly exceptional.

1. Ministers undertake to observe the following criteria when considering a change to tax law which will:
  - Be announced other than at Budget.
  - Take effect before the legislation implementing the change is enacted.
2. Such changes to the tax law will normally only be announced other than at Budget where:
  - There would otherwise be a significant risk to the Exchequer;
  - Significant new information has emerged to identify the risk or indicate its scale; and
  - Changing the law immediately is expected to prevent significant losses to the Exchequer.

Announcements will usually take the form of a Written Ministerial Statement to Parliament before 2pm.

3. Legislative changes announced in this way will be confined to addressing the risk to the Exchequer that has been identified. A change in HMRC's interpretation of the law (unless prompted by a Court ruling) will not be regarded as 'significant new information'.
4. Where Ministers believe that such a change is justified, the process will be as follows:
  - A Minister will make a public announcement of the intention to change the law and make clear that the change will take effect before the legislation is enacted;
  - The public announcement will be accompanied by the technical detail necessary to amount to a sufficiently clear warning of the nature of the change and its timing;
  - HM Revenue & Customs (HMRC) will publish the Written Ministerial Statement and draft clauses on the HMRC website as soon as practicable after the announcement to Parliament. If, exceptionally, draft clauses cannot be published on the day of the announcement, a detailed technical note explaining the nature of the proposed change and the reasons for it will accompany the announcement; and
  - Legislation to give the measure effect will be included in the next available Finance Bill.
5. Whilst the Government will not invite comment on the intention to legislate, the nature of the change or on its timing, it will consult after the announcement to establish whether the draft legislation would achieve its objective and change the law as intended. Subject to the risk of forestalling, consideration will be given to consulting informally in confidence before an announcement is made.
6. As part of the normal Budget process, the Office for Budget Responsibility will scrutinise the estimates of Exchequer impact associated with any change to tax policy.

## Appendix C Remit of the Forum

The Tax Professionals' Forum was established in 2010 as part of the Government's commitment to reform the framework for developing tax policy and making tax law. The Forum is currently comprised of eight independent tax practitioners.<sup>9</sup>

The Government published a policy discussion document in June 2010 alongside the Chancellor's Emergency Budget, which set out a new framework for tax policy-making. David Gauke MP, Exchequer Secretary to the Treasury at the time, commented in the document that:

"I want a new approach to tax policy making; a more considered approach. Consultation on policy design and scrutiny of draft legislative proposals should be the cornerstones of this approach. The Government will always need to maintain flexibility to make changes to the tax system. But in doing so, it should be transparent about its objectives, and open to scrutiny on its proposals."<sup>10</sup>

The Government's response document published in December 2010 further stated that:

"The Tax Professionals Forum is charged with monitoring whether individual tax measures have followed the new policy making process. One of the functions of the Forum is "to challenge the Government if the new approach is not being followed or is not having a demonstrable effect on the predictability, stability and simplicity of the UK tax system."<sup>11</sup>

The remit of the Forum is to identify improvements to the way in which tax policy is made. This includes the ways in which:

- Policy is developed;
- Policy, and changes to policy, are communicated; and
- Policy is legislated and implemented.

The role of the Tax Professionals Forum is to consider the Government's performance against the Tax Consultation Framework, as identified by the Government in the Tax Consultation Framework document published in March 2011.<sup>12</sup>

### C.1. The role of the Forum

The remit of the Forum as identified by the UK Government is set out in Appendix 3. In applying our remit, the Forum seeks to foster good communication between Government and tax professionals, as well as promoting high quality tax law and processes by which tax laws are made. The Forum identifies improvements to the way in which tax policy is made.

Some of the key activities of the Forum include:

- Providing feedback and advice to Government on tax policy and administration issues
- Supporting the consultation process inherent in the development and implementation of tax legislation and guidance
- Facilitating communication and collaboration between Government and tax professionals, and
- Promoting transparency, clarity, and simplicity in tax policy and administration.

The Forum was established to assist with the prioritisation of improvements and the monitoring and implementation of such improvements to ensure they have the intended effect. The Forum also has a role in providing contemporaneous feedback on whether the Government's stated principles and the new approach to tax policy making are being followed in practice.<sup>13</sup>

<sup>9</sup> <https://committees.parliament.uk/writtenevidence/66085/html/>

<sup>10</sup> [House of Lords - The Finance Bill 2011 - Economic Affairs Committee \(parliament.uk\)](#)

<sup>11</sup> [House of Lords - The Finance Bill 2011 - Economic Affairs Committee \(parliament.uk\)](#)

<sup>12</sup> [Tax Consultation Framework \(publishing.service.gov.uk\)](#)

<sup>13</sup> [https://assets.publishing.service.gov.uk/media/5a7c63d1e5274a7ee2567252/taxprofessionalforum\\_061211.pdf](https://assets.publishing.service.gov.uk/media/5a7c63d1e5274a7ee2567252/taxprofessionalforum_061211.pdf)

## C.2. The Government's approach to Tax Policy Making

The five-stage approach to policy making was initially set out in "The Government's Tax Consultation Framework: Summary of Responses and Finalised Framework" ("the Framework") published in March 2011. The Framework requires early and continuing engagement on tax changes and the exploration of new ways of broadening public engagement with the development of the tax system.

The following five stages are to be followed for the development and implementation of tax policy, except in cases of tax avoidance:

1. Setting out objectives and identifying options
2. Determining the best option and developing a framework for implementation including detailed policy design
3. Drafting legislation to effect the proposed change
4. Implementing and monitoring the change
5. Reviewing and evaluating the change

The Framework states that, where possible, the Government will:

- Engage interested parties on changes to tax policy,
- Minimise the occasions on which it consults only on a confidential basis,
- Set out its strategy for consultation (including informal discussions) and
- Set out clearly at each stage of the consultation:
  - The policy objectives,
  - Any relevant broader policy context,
  - The scope of the consultation,
  - Its current assessment of the impact of the proposed change and
  - Which department and official is leading the consultation.

To permit the proper scrutiny of legislation, draft clauses for the Finance Bill will be published at least three months prior to the introduction of the Bill at Parliament, with a period for comment of at least eight weeks.

It was also stated:

"The Government will generally not consult on straightforward rates, allowances and threshold changes or other minor measures. It may also not consult on revenue protection or anti-avoidance measures".

Additionally, the Government has published a Protocol on Unscheduled Announcements which deals with changes to tax law outside the framework of the Budget process including retrospective tax legislation (the "Protocol").

This well-established framework sits alongside the Government's Consultation Principles (not specific to tax policy), under which the Government seeks to adopt a more proportionate and targeted approach to consultation. The latest set of Consultation Principles<sup>14</sup>, issued in 2018, state that a consultation should facilitate scrutiny of the proposal and that Government responses to consultation should be issued in a timely fashion (generally within 12 weeks).

## C.3. The role of this Report

This report allows the Forum to provide its view on the extent to which the Government has complied with its policy-making aspirations. The Report contains the views and conclusions of the Independent Members of the Tax Professionals' Forum on the way in which policy has been developed and legislation has been made over the period and includes suggestions and recommendations for change.

References to the Forum in the rest of this Report are to the Independent Members of the Forum.

<sup>14</sup> <https://www.gov.uk/government/publications/consultation-principles-guidance>

## Appendix D      Members of the Forum

The current membership is:

- Chris Sanger (Member Chair)
- Philip Baker OBE, KC
- Malcolm Gammie CBE, KC
- Anita Monteith
- Vincent Oratore
- Andy Richens

The forum would like to note its thanks and appreciation to two members who retired from the Forum during the period covered by this report.

- Jonathan Riley
- Richard Stratton