



All-Party Parliamentary Loan Charge Group

www.loanchargeappg.co.uk

Rt Hon Philip Hammond, MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road, London
SW1A 2HQ

28th March 2019

Dear Chancellor,

URGENT – Complaint regarding false accusation against the Loan Charge APPG

At our meeting on January 31st, it was agreed that the identity of individuals making submissions to the Loan Charge Inquiry would only be shared with HMRC where we had permission. We agreed in principle to do so, subject of course to gaining permission from individual taxpayers, and then did so, sending seventy submissions to HMRC. In your Treasury report, “Report on time limits and the charge on disguised remuneration loans” issued on 26th March 2019, it falsely states that the APPG has not met this commitment.

The Loan Charge APPG complains in the strongest possible terms against this false accusation. It is made on page 5 of your report contains the following false statement:

“The Chair of the APPG had volunteered a commitment, when meeting the Chancellor and the Financial Secretary, that these testimonies would all be provided on the basis that the taxpayers concerned would give their consent for HMRC to respond transparently to the many particular personal tax issues that they raised. Unfortunately, that commitment was not sufficiently met, and none of the submissions have been provided on that basis.”

This is repeated again on page 10 (Section 1.4)

This is a false claim in an official Treasury report; a report that is, furthermore, clear reneging on the commitment made by the Treasury to conduct a proper review of the Loan Charge.

The agreement regarding public submissions was confirmed in Sir Ed’s letter to you, on behalf of the APPG, of 19th February, which clearly stated:

“[...] HMRC wished to be able to present their factual assessment of taxpayers’ situations, where taxpayers facing the Loan Charge give evidence to the inquiry. Where taxpayers are prepared to do this, the APPG will seek to put their names forward.”

The Financial Secretary to the Treasury also wrote a letter to the APPG following this meeting, which crossed with the APPG letter sent by Sir Ed.

Mel Stride wrote in his letter:

"[...] all taxpayers who provide evidence to the APPG should be prepared to waive their right to confidentiality with HMRC."

The APPG found the use of the word 'should' troubling and rather sinister. It is, of course, entirely the decision of any individual as to whether they choose to waive their confidentiality.

Nonetheless, the APPG asked all individuals facing the Loan Charge who made a submission to the Loan Charge Inquiry if they would grant permission to share their details with HMRC. Seventy people consented to this.

Ruth Stanier, HMRC's Customer Strategy and Tax Design Director, wrote to the APPG on 4th March and on 6th March. In neither of these letters did HMRC make or even suggest any further conditions or queries they might have with regard to taxpayer submissions.

The letter dated the 6th March noted:

*"We stand ready to consider the APPG's initial findings, **as well as cases which the APPG would like us to look at**".*

On 8th March, the APPG wrote to Ruth Stanier to provide our preliminary report and findings and to provide access to HMRC to the written submissions of the seventy individuals. In the letter we again laid out what had been agreed at the meeting and what would happen next. We made explicitly clear that these seventy individuals had given permission for the sharing of their submissions and the process as agreed. A copy of this letter was also provided to you under separate cover.

We explained the agreed process:

- The individual taxpayers have given permission to share their submissions with HMRC
- HMRC may write to the APPG about the individual taxpayer's case(s), giving their view of the case and their actions
- The taxpayer will have the right to respond to HMRC's letter to the APPG, who may then choose to question HMRC's account
- The submission and all correspondence details will remain confidential between HMRC, the APPG, and the taxpayer in question

However, we received no further correspondence from HMRC regarding the submissions. We have not had even a single response for any of these submissions, despite HMRC asking for them so they could correspond with the APPG over these cases.

The APPG has done precisely what was agreed. Seventy submissions were sent to HMRC where taxpayers had consented for us to do so. For HMRC and the Treasury to suggest the APPG reneged on our commitment, is a false claim. The documentation clearly shows that the APPG has done exactly what was agreed.

In reality, it is HMRC who have reneged on what was agreed. HMRC asked that the APPG send them taxpayer submissions and told us that they would then write to the APPG about them. They failed to do so, yet now dismiss all the cases. This is a disgraceful way to treat these individuals who had consented to be publicly named and for their submissions to be sent to HMRC. The submissions provide an insight as to the reality of the Loan Charge, as opposed to the chronically misleading information being provided by HMRC.

We have clearly established that the APPG did exactly what was agreed with regard to sending HMRC taxpayers' submissions. We now demand that you publicly apologise to the APPG, and correct the false claims in your report.

Yours sincerely,



Sir Ed Davey
Chair



Ruth Cadbury
Vice Chair



Ross Thomson
Vice Chair

On behalf of the Loan Charge APPG

Cc: Rt. Hon. Theresa May MP
Rt. Hon. Mel Stride MP
HMRC