



# All-Party Parliamentary Loan Charge Group

[www.loanchargeappg.co.uk](http://www.loanchargeappg.co.uk)

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

2<sup>nd</sup> April 2020

Dear Chancellor,

## **Urgent need for a delay to the Loan Charge - Self-employment Income Support Scheme**

We are writing as a matter of urgency following the announcement on 26<sup>th</sup> March 2020 of financial assistance for some self-employed people facing the Covid-19 crisis and the lockdown. This has a direct and seriously problematic impact for people facing the Loan Charge and awaiting the final form of the legislation.

**The announcement has suddenly and unexpectedly put many thousands of people facing the Loan Charge in a very problematic position, as the financial assistance offered is only available to those who have already submitted (or who can now quickly finalise and submit) their 2018/19 tax return in the next three weeks (by 23<sup>rd</sup> April). The Government and HMRC have, as you know, told people facing the Loan Charge that their tax return does not need to be finalised until 30 September 2020, as changes are planned to the Loan Charge legislation in the forthcoming Finance Bill.**

The requirement for people to finalise their 2018/19 tax returns in the next three weeks is putting people facing the Loan Charge issue in an impossible position. They are unable to finalise their tax returns until the final form of the Loan Charge legislation is known, which will not happen until the Finance Bill has been debated and passed by Parliament. Without finalising their tax return they are not able to access the financial assistance that they are entitled to and which is, in many cases, much needed.

Previous announcements by the Treasury and HMRC had given people until the end of September 2020 to see the final legislation, to discuss settlements with HMRC and to finalise their tax returns. This was the right, and necessary, approach. But, under the unforeseen circumstances resulting from Covid-19 crisis, this no longer works for those who need to seek assistance from the newly announced self-employment scheme.

Co-Chairs: Sir Edward Davey MP, Ruth Cadbury MP, Sir Mike Penning MP  
Vice-Chairs: Baroness Kramer, Andrea Jenkyns MP, Sammy Wilson MP

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**For this reason, the Loan Charge must now be delayed. We call on you to make an announcement immediately that the Loan Charge will be deferred by one year and will now fall due on 5<sup>th</sup> April 2020, in the 2019/20 tax year.**

This will allow such individuals to complete their 2018/19 tax return immediately (without mention of the Loan Charge) and to access the government support which they so urgently require. Their 2019/20 tax return will then not need to be completed until 31<sup>st</sup> January 2021.

Since our previous letter, the APPG has published a report which lays out why the Loan Charge should only apply prospectively from 2017. The membership of the APPG has continued to grow and now stands at 232 members (including 100 Conservative MPs and Peers). There has also been a debate in the House of Commons on 19<sup>th</sup> March that resulted in a motion being passed which expresses the will of the House – that the Loan Charge should apply only prospectively from 2017 onwards. It is clear that MPs believe that the government's current policy of applying the Loan Charge from December 2010 onwards is wrong.

In the short term, it is now paramount that you give clarity to the contradictory Government positions that are clearly unfair and discriminatory against this group of people. The only way to do this is to announce that the Loan Charge is delayed until April next year.

Yours sincerely,



Sir Ed Davey  
Co-Chair



Ruth Cadbury  
Co-Chair



Sir Mike Penning  
Co-Chair

On behalf of the Loan Charge APPG

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