

## **Urgent Open Letter to The Chancellor of the Exchequer calling for an immediate delay to the Loan Charge from 30<sup>th</sup> September 2020 to 31<sup>st</sup> January 2021**

18<sup>th</sup> September 2020

Dear Chancellor,

We are writing to implore you to delay the date for reporting the Loan Charge and concluding settlement agreements from 30<sup>th</sup> September 2020 to 31<sup>st</sup> January 2021. This is essential, to allow all those who wish to do so adequate time to settle and also due to the unforeseen impacts of the Covid-19 crisis.

To date the response has talked about the previous change of date resulting from the Morse Review. However, that decision was made *before the Covid-19 crisis*. A further delay is now imperative as the pandemic has led to a situation where HMRC cannot properly conclude settlements by the specified deadline. The pandemic has also led to a change in financial circumstances for many, with some people losing their income or jobs and many small businesses being affected.

It is clear from the evidence that HMRC simply cannot conclude settlements by 30<sup>th</sup> September, with them admitting there are 6000 cases in this position. Every taxpayer engaged in the settlement process has the right to have their settlement fully and properly conducted before being hit by the Loan Charge. It is clear from many cases being shared, that pre-Loan Charge settlements are not possible in the current timeframe and people are being pressured to sign a contract with unreasonable terms and interest charges, as well as penalties which vary from case to case and have not been explained

Without a further delay, through no fault of their own, people will be denied the opportunity to settle in a reasonable timescale or potentially at all. Not only is this unfair but also, considering HMRC has said it wishes people to settle with them, it doesn't make sense. A further delay would relieve pressure on HMRC staff by allowing another four months for settlements to be properly concluded.

We are also aware that due to Covid-19 some taxpayers have been unable to source information from HMRC to confirm their settlement figures. Some have not had responses to Subject Access Requests, seeking evidence that certain years are open (protected), which directly impacts the settlement amounts. Many have received replies stating that the paper version of such enquiry notices (which HMRC needs to provide) are not available as staff are not in the office. It is clearly unfair that individuals are expected to agree settlement based on unconfirmed figures and is another reason why a further delay is essential.

It is clear that there is a lack of consistency amongst settlement offers, which is unfair and does not treat taxpayers equally. For some, HMRC have allowed deduction of expenses in calculations; in other cases they have not. HMRC have said that they will not tax fees, yet some have been taxed on the fees. Some are being offered reduced settlement offers and others are not. These discrepancies need urgently resolving to ensure people are being treated equally. A delay is required to allow time to resolve this.

The delay is vital due to effect of the Covid-19 pandemic on business and the economy. As HMRC knows, if the Loan Charge is imposed, as well as forcing individuals into bankruptcy, it will also close businesses (where company directors are facing the Loan Charge). This in turn will cause job losses. A sensible delay gives the opportunity to avoid much of this damage.

Above all, there remains a risk of further suicides due to people being put under unreasonable pressure to settle. People are being asked to conclude settlements in a matter of a few days, which is wholly unreasonable.

A delay is therefore clearly sensible and needed, not only to allow HMRC the time to conduct settlements, but to allow them to do so properly.

We urge you to announce a delay as soon as possible and to make whatever arrangements are needed to implement it.

Yours sincerely,

Sir Mike Penning MP, Loan Charge APPG Co-Chair, MP for Hemel Hempstead  
Ruth Cadbury MP, Loan Charge APPG Co-Chair, MP for Brentford and Isleworth  
Sir Edward Davey MP Loan Charge APPG Co-Chair, MP for Kingston and Surbiton  
Baroness Kramer, Loan Charge APPG Vice-Chair  
Rt. Hon Sammy Wilson MP, Loan Charge APPG Vice-Chair, MP for East Antrim  
Owen Thompson MP, Loan Charge APPG Vice-Chair, MP for Midlothian  
Crispin Blunt MP, MP for Reigate  
Carol Monaghan MP, MP for Glasgow North West  
Fabian Hamilton MP, MP for Leeds North East  
Allan Dorans MP, MP for Ayr, Carrick and Cumnock  
Adam Holloway MP, MP for Gravesham  
Andy Slaughter MP, MP for Hammersmith  
Andrew Gwynne MP, MP for Denton and Reddish  
Henry Smith MP, MP for Crawley  
Rt Hon. Damian Green MP, MP for Ashford  
Virendra Sharma MP, MP for Ealing Southall  
Rosie Cooper MP, MP for West Lancashire  
Rt. Hon Baroness Meacher  
Philip Davies MP, MP for Shipley  
Richard Thomson MP, MP for Gordon  
Jonathan Edwards MP, MP for Carmarthen East and Dinefwr  
Rt. Hon Dame Cheryl Gillan DBE MP, MP for Chesham and Amersham  
Tommy Sheppard MP, MP for Edinburgh East  
Sarah Olney MP, MP for Richmond Park  
Kenny MacAskill MP, MP for East Lothian  
Gordon Henderson MP, MP for Sittingbourne and Sheppey  
John Nicolson MP, MP for Ochil and South Perthshire  
Dave Doogan MP, MP for Angus  
Drew Hendry MP, MP for Inverness, Nairn, Badendoch and Strathspey  
Dr Lisa Cameron MP, MP for East Kilbride, Strathaven and Lesmahagow  
Paul Girvan MP, MP South Antrim

Rt. Hon Sir Iain Duncan-Smith MP, MP for Chingford and Woodford Green  
Rt. Hon Dr Julian Lewis MP, MP for New Forest East  
Lord Kerr of Kinlochard  
Rt. Hon David Mundell MP, MP for Dumfriesshire, Clydesdale and Tweeddale  
William Wragg MP, MP for Hazel Grove  
Neale Hanvey MP, MP for Kirkcaldy and Cowdenbeath  
Martin Vickers MP, MP for Cleethorpes  
Jonathan Lord MP, MP for Woking  
Esther McVey MP, MP for Tatton  
Rt. Hon Sir Desmond Swayne MP, MP for New Forest West  
Mohammad Yasin MP, MP for Bedford  
Gavin Newlands MP, MP for Paisley and Renfrewshire  
Derek Thomas MP, MP for West Cornwall and the Isles of Scilly (St Ives)  
Bob Blackman MP, MP for Harrow East  
Daisy Cooper MP, MP for St Albans  
Sir Bob Neill MP, MP for Bromley and Chislehurst  
Peter Bone MP, MP for Wellingborough  
Fiona Bruce MP, MP from Congleton  
Christina Rees MP, MP for Neath  
James Gray MP, MP for North Wiltshire  
Stephen Metcalfe MP, MP for South Basildon and East Thurrock  
Greg Smith MP, MP for Buckingham  
Caroline Lucas MP, MP for Brighton, Pavilion  
Layla Moran MP, MP for Oxford West and Abingdon  
Chris Law MP, MP for Dundee West  
Bob Stewart MP, MP for Beckenham  
Sally-Ann Hart MP, MP for Hastings and Rye  
Christine Jardine MP, MP for Edinburgh West  
Rt. Hon Alistair Carmichael MP, MP for Orkney and Shetland  
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Margaret Ferrier MP, MP for Rutherglen and Hamilton West  
Angela Crawley MP, MP for Lanark and Hamilton East  
Hannah Bardell MP, MP for Livingston  
Wera Hobhouse MP, MP for Bath  
Chris Stephens MP, MP for Glasgow South West  
Claire Hanna MP, MP for Belfast South  
Angus MacNeil MP, MP for Na h-Eileanan an Iar  
Hywel Williams MP, MP for Arfon  
Ben Lake MP, MP for Ceredigion  
Rt Hon Liz Saville Roberts MP, MP for Dwyfor Meirionnydd  
Ian Murray MP, MP for Edinburgh South  
Christian Wakeford MP, MP for Bury South  
Richard Fuller MP, MP for North East Bedfordshire  
Steven Bonnar MP, MP for Coatbridge, Chryston and Bellshill  
Gregory Campbell MP, MP for East Londonderry

Stephen Hammond MP, MP for Wimbledon  
Gavin Robinson MP, MP for Belfast East  
Mike Hill MP, MP for Hartlepool  
Marion Fellows MP, MP for Motherwell and Wishaw  
Stephen Flynn MP, MP for Aberdeen South  
Tim Farron MP, MP for Westmorland and Lonsdale  
Alan Brown MP, MP for Kilmarnock and Loudoun  
David Linden MP, MP for Glasgow East  
Jamie Stone MP, MP for Caithness, Sutherland and Easter Ross  
Wendy Chamberlain MP, MP for North East Fife  
Stewart McDonald MP, MP for Glasgow South  
Andrew Bridgen MP, MP for North West Leicestershire  
Munira Wilson MP, MP for Twickenham  
Alyn Smith MP, MP for Stirling  
Brendan O'Hara MP, MP for Argyle and Bute  
Douglas Chapman MP, MP Dunfermline and West Fife  
Jim Shannon MP, MP for Strangford  
Theresa Villiers MP, MP for Chipping Barnet  
Anne McLaughlin MP, MP for Glasgow North East  
David Linden MP, MP for Glasgow East  
Philip Hollobone MP, MP for Kettering  
Paul Holmes MP, MP for Eastleigh  
Jon Cruddas MP, MP for Dagenham and Rainham  
Baroness Eaton DBE DL  
Andrew Rosindell MP, MP for Romford  
Rt Hon Sir Roger Gale MP, MP for North Thanet  
Martyn Day MP, MP for Linlithgow and East Falkirk  
Ian Paisley MP, MP for North Antrim  
Amy Callaghan MP, MP for East Dunbartonshire  
Rushanara Ali MP, MP for Bethnal Green and Bow  
Dr Jamie Wallis MP, MP for Bridgend  
Neil Coyle MP, MP for Bermondsey and Old Southwark  
Alison Thewliss MP, MP for Glasgow Central  
Graham Stringer MP, MP for Blackley and Broughton  
Kirsten Oswald MP, MP for East Renfrewshire  
Duncan Baker MP, MP for North Norfolk  
Dean Russell MP, MP for Watford  
Dr Philippa Whitford MP, MP for Central Ayrshire  
James Daly MP, MP for Bury North  
Fleur Anderson MP, MP for Putney  
Sir David Amess MP, MP for Southend West  
Rt Hon David Davis MP, MP for Haltemprice and Howden  
Nickie Aiken MP, MP for Cities of London and Westminster  
John Trickett MP, MP for Hemsworth  
Emma Lewell-Buck MP, MP for South Shields  
Geraint Davies MP, MP for Swansea West

John Cryer MP, MP for Leyton and Wanstead

Rosie Duffield MP, MP for Canterbury

Patrick Grady MP, MP for Glasgow North

Barry Sheerman MP, MP for Huddersfield

Deidre Brock MP, MP for Edinburgh North and Leith

Gareth Bacon MP, MP for Orpington