



All-Party Parliamentary Loan Charge Group

www.loanchargeappg.co.uk

Jim Harra
Chief Executive and Permanent Secretary
HM Revenue and Customs
100 Parliament Street
London
SW1A 2BQ

2nd November 2020

Dear Mr Harra,

Promoters of loan schemes – File on 4 documentary

We are writing to you following the compelling and highly revealing File on 4 documentary 'Taxing Situations' broadcast on Tuesday 20th October.

This powerful and meticulously researched documentary exposed some of the companies involved in the promotion or operation of loan schemes and the fact that disguised remuneration schemes are still being openly marketed, including to frontline NHS staff dealing with the Covid crisis. This shows that the Loan Charge has been a profound failure in its stated aim of stopping the promotion of such schemes.

The documentary also laid bare the failure of HMRC to take any effective action against those companies (and individuals) who promoted and operated the schemes whose users are now subject to the Loan Charge, with many facing life-ruining bills and many facing bankruptcy.

Despite claims that HMRC have pursued promoters, this claim has been shown to be hollow, with the companies mentioned (and others) having faced no action or consequence for promoting and operating the schemes now subject to the Loan Charge. The programme highlighted the central injustice of the Loan Charge – that those who were mis-sold loan schemes have been hit with huge demands from HMRC and pursued aggressively, whilst those who marketed, sold and operated the schemes have neither faced action nor been asked to pay towards the disputed tax (despite making considerable amounts of money through fees).

So, following the programme, we are asking you the following important questions:

1. Of the companies mentioned in the programme, that were involved in the promotion or operation of schemes whose users now face the Loan Charge, what steps have HMRC taken to investigate these companies and what if any action has HMRC taken?

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

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2. Can you confirm that the companies mentioned in the programme, that were involved in the promotion or operation of schemes whose users now face the Loan Charge, have neither paid nor been asked to pay any of the disputed tax HMRC believes was avoided?
3. Of the company mentioned offering a solution to get round the Loan Charge, for fee based on a percentage of the loan balance of those facing the Loan Charge, what steps has HMRC taken to investigate and take action?
4. Of the companies mentioned in the programme that are currently or have been recently selling disguised remuneration schemes, why have HMRC (a) not shut these down and (b) what steps have HMRC taken to investigate and take action in each case?

I'm sure you will want to respond properly to these important questions, knowing the serious concern that the contents of the File on 4 programme has inevitably raised amongst Parliamentarians and beyond.

We look forward to hearing from you.

Yours sincerely,



Sir Ed Davey
Co-Chair



Ruth Cadbury
Co-Chair



Sir Mike Penning
Co-Chair

cc. House of Lords Economic Affairs Committee/House of Lords Economic Affairs Finance Bill Sub-Committee

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