



Loan Charge Update - Personal Statement
Individual who has settled - Form 2(b)

Loan scheme(s) used / operator(s)

BBT EBT EFRBS,EDF, Montpellier

Approximate liability (nearest £5K)

£1,668,697

Settlement total figure

£1,909,831

If your loan has been subject to recall demands :

Who is demanding repayment ?

Further demands from HMRC

And for how much in £

How many months/years using loan arrangements

6 years

Other Money paid (APNs, Penalties)

£101,887

Table with 3 columns: Date of Settlement, Settlement period (years/months), % of net income per month. Row 1: 28-Sep-20, 10 years, 66

The impact of settlement on you financially

destructive, killed all chances of retiring early or even at retirement age. Extremely bitter and mistrusting of Government and the authorities in the way that they have cheated to achieve their ends. Retrospective law making should carry a punishment for those that attempt to impose it.

The personal impact (financially and in other ways) if HMRC enforce the Loan Charge as laid down in the legislation

This is something I wrote to myself in early 2018 to try and rationalise the whole Kafkaesque situation created by the retrospective nature of the Loan Charge legislation and the impending coercion it created, backed by The Cabinet Offices psyops unit Behavioural Insights and their media manipulation in being brought to settle as a vanquished foe by HMRC: <I am writing this down whilst it is on my mind and having stood back from it to get a better perspective as a part owner of a self-made, successful small business who daily sees the tax burden for real in its many and complicated forms the list of which is too great to bore everyone with now, let's just say it stretches from VAT,PAYE,NI employers, NI employees corporation tax, business rates tax on energy supplies pension contributions...are you getting the picture yet. There are a number of things that are fundamentally at odds with the rhetoric surrounding UK Business growth and Governments declared intentions and aspirations for SME's in this process, the principal one seems to be the complete dislocation of HMRC from the collaborative process who, rather than pulling the lifeboats as sentient dolphins have adopted the circling killer shark approach to the economic challenge facing business and Country alike. These sharks systematically picking off individual lifeboats and their occupants (employees) as they present themselves. In 2007/8 a clever group of thinkers, Banks, Investment Brokers and other City wheeler dealers who were able to turn £100 (real pounds representing real value) into future fictional multiples without limit based on anticipated future returns were about to drop us in the cart. At this same time just as the system and its financial pillars collapsed SME's weary of their Tax burden, were offered a carrot (let's call it a carrot) by their financial advisers, in a form that was declared legal and as if to prove the point it was even notified to HMRC that this carrot was going to be taken. This carrot and carrots like it were in many forms like film investment opportunities, employee benefit trusts, employer funded retirement benefit schemes and probably a few others that we don't know about (can't remember what Jimmy Carrs was or the self-employed BBC presenters). There was of course a, not modest, fee to be paid to the Financial Advisers and Barristers to arrange this beneficial carrot taking but it did not matter as the size of the carrot was sufficient to allow the fee to be seen as an acceptable cost. Job done, pay the advisers up front and sign up to the arrangement in triple legalese, hey presto, lower tax bill that year and a beneficial scheme in place with its own

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HMRC scheme number. How clever were these Financial advisers that they should know the complex workings of an ever more complex tax system better than even the taxman, how simple were we not to have known this was available to us and it was all legal. Or was it? Well yes it was, that is why the Taxman could not stop it, he tried and failed several times but did not get the support of the Judges and the legal system, which clearly became an obstacle to him. Carrots disappearing left right and centre at a time when he was broke having just bought out a few failed private sector Banking institutions with public money and worse still internationally borrowed money in anticipation of future tax returns (some people just don't learn or get bad advice from trusted sources). So the legal nature of this carrot had to be challenged but was constantly being thwarted in the Courts. A simple solution would be to change the law take the finance measure to Parliament introduce further Tax regulation to declare these carrot pinching measure not legal. BUT, what benefit for the Taxman? Normal legislation when introduced declares an action no longer permissible legally from a date, even if it is midnight on the day of The Budget. From that date the clever Financial Advisers simply tear apart the existing and new legislation and find other means to efficiently reduce their and their fee paying clients tax burden. More to the point, what about all that legally saved tax that these carrot pinchers had got away with? This is where it gets dirty and the solution must have come from an avid fan of Lewis Carols 'Alice in Wonderland' imagine if you could circumvent the Law and retrospectively apply new regulations to previously legal and allowable actions as if they were not legal at the time. Furthermore cloak the action as if it is yet to be decided and therefore not a retrospective legal fiction by calling the seized funds an Advance Payment payable on demand of an Advance Payment Notice and while you are at it apply late payment penalties to Advance Payment Notices. What a great idea, why not apply it to Council Tax and ask everyone to pay ten years upfront and fine them for not paying it on demand, that therefore is not an increase in Council Tax but merely a penalty for late payment of an advance payment. Anyone got a sore head yet? Then, to carry off this caper, bombard the main stream media with stories of rich kids cheating The System (re-enter Jimmy Carr and the BBC contractors) and rebrand Tax Avoidance from acceptably legal to 'morally repugnant' and while we are at it why not make sure it appears on the same page as a child abuse story. Soften the masses up with the idea that it is all somehow despicable so much so that the case is already tried in The Courts and couldn't possibly rely on the usual bedrocks of the Justice System. Maybe the association with Lewis Carol was unfair perhaps Joseph Goebbels should be in the seat now. At the same time raise the threat of making the Financial Advisers of these schemes liable for any claimed tax plus penalties (that should smarten them up to get their taxpayer clients to give in). BUT, if we are to allow this concept of retrospective legislation, are we also allowed the concept of retrospective defence? Where was HMRC's duty of care to its (excuse the laugh) clients when they were notifying use of these schemes, why did not HMRC simply declare the schemes invalid and fight the case based on disallowing the Tax advantage rather than allowing the Tax advantage to be taken and then closing the Lobster pot for later harvest. Was it all a Government long fraud to gain future advantage right from the start?

In the midst of leaving the single European community, with the Government corporately banging its drums about the UK being bold in the World it is not clear as to why HMRC should be working in almost exactly the opposite direction by attacking tens of thousands of SMEs that employ hundreds of thousands of people for what will prove merely a technical and worse than hollow victory. The search for real wealth is getting harder in the digital age for example is Bitcoin really a store for value when the power is cut and your computer doesn't work? SMEs by and large have stores of real wealth in terms of jobs created, premises occupied, physical stock of goods, intellectual property ownership, loyal customers both UK and International, now is not the time for HMRC to be bankrupting these entities, unless of course that is the real intention, who could tell amongst the fog of main stream media propaganda that the HMRC Behavioural Insights Team have fed into the public domain (yes Behavioural Insights Team sounds better than psychological warfare strategists). Does anybody read much about the true level of Tax and its ridiculous

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complexity which is exponentially growing, has anybody headlined why so many people felt the need to address their tax affairs in the way that is now portrayed as so "morally repugnant" the answer to that is painfully simple Taxation is too high and made deliberately complex and fragmented to disguise the fact. The aforesaid clever Financial Advisers and lawyers are rapidly dispersing, their schemes have disappeared they are running scared, some of them quite literally have run for the hills (Switzerland), thousands of Accountants across the country are dealing with the fallout, having resold the brilliant advice from these clever FAs backed by legalese from Barristers to their clients they now find themselves alone and under threat from HMRC as much as their participating SME clients. HMRC's actions are unprecedented, the powers Parliament has given them are uncontrollable, the outcomes are unfavourable and the punishment (for remaining within the law and holding high his kept carrot) is falling squarely on the little man as it always does.

Scoff if you like at the "Rodger the tax dodger" but consider this, it is highly likely that Rodger employs a good few people in his business, he pays a lot of tax he collects PAYE and NI employees contribution, he also pays NI employers contribution, he makes a contribution to the employee's pension pot, he pays regularly tens of thousands if not hundreds of thousands pounds every 3 months to the Vat man, he provides private health insurance for his employees easing some of the burden on the NHS, he pays business rates on his premises to allow Councils to keep the domestic household rate low, he sponsors local community activities that bring us together as a community and he makes a profit so he pays Corporation Tax too. He will be missed by his employees and their families and many will have to share the fallout of him leaving and if that is for the common good then bring back Lewis Carol to take his seat and book Jimmy Carr for the leaving do entertainment .> And finally The most often quoted ruling on this subject confirming that tax avoidance is acceptable and legal comes from the court case of IRC v Duke of Westminster (1936). The Duke of Westminster paid his gardener a weekly wage and entered into an agreement by which he stopped paying the wage and instead drew up a covenant agreeing to pay an equivalent amount. The gardener still received the same amount in wages but the Duke gained a tax benefit because under the law that applied at the time the covenant reduced the Duke's liability to surtax. When the case came before the House of Lords, the judge, Lord Tomlin, stated: "Every man is entitled if he can to arrange his affairs so that the tax attaching under the appropriate Acts is less than it otherwise would be. If he succeeds in ordering them so as to secure that result, then, however unappreciative the Commissioners of Inland Revenue or his fellow taxpayers may be of his ingenuity, he cannot be compelled to pay an increased tax" (IRC v Duke of Westminster [ 1936 ] AC1 (HL)). The Duke of Westminster won the case. He however did not have the further burden of retrospective legislation as created by the Loan Charge. You can't beat a cheat and HMRC's Loan Charge is a good one, absolve the promoters and instigators and punish the weaker.