



HM Revenue
& Customs

Penny Ciniewicz
Director General, Customer Compliance

100 Parliament Street
London
SW1A 2BQ

Rt Hon. Sir Edward Davey
Ruth Cadbury
Rt Hon. Sir Mike Penning
All-Party Parliamentary Loan Charge Group
House of Commons,
London,
SW1A 0AA

7 April 2020

Dear Sir Edward, Ruth and Sir Mike

I am writing in response to your letter of 2 April.

You have suggested that HMRC should suspend all communications that require a response from customers within 30 days, and that this should apply to all customer communications.

We are acutely aware of the challenges that our customers face at the current time. It is right that HMRC takes action to protect individuals, businesses and the economy during this difficult time. This includes prioritising work to support businesses and individuals. This is a sensible and pragmatic response that is in the best interests of the UK.

However, we are continuing to write to customers in cases where the expiry of a statutory time limit means that failure to do so would leave HMRC legally unable to collect any tax that is owed. Where we need to do this, we will give customers a choice about whether they engage with us now or in the future.

We are also continuing to engage with customers who have an open compliance enquiry and wish to bring it to a conclusion and settle with us.

In the context of the loan charge, our focus is on supporting those customers who provided the information needed to settle their use of disguised remuneration schemes by 5 April 2019, and can therefore still settle with us and not have to pay the loan charge. We want to help these customers to understand their options, following the independent loan charge review, so they can make an informed decision on how to proceed – either to settle with HMRC or include the loan charge on their 2018-19 tax return.

We will continue to write to these customers providing the information they need, including details of their settlement calculation, revised where appropriate to account for the changes

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to the loan charge announced by the government. We will invite them to respond in 30 days (longer in some cases) to indicate whether they would like to proceed with a settlement, or instead include the loan charge on their 2018-19 tax return.

Customers who need more time to make a decision should let us know, and we will continue to take a reasonable and proportionate approach to such requests.

The Royal Mail is continuing to provide a service for customers who choose to write to us. Any customers who do not feel comfortable doing so can contact us by email or, if they do not have email or prefer to talk to us, by telephone. Our phone lines are open from 8am to 4pm Monday to Friday for customers to get in touch.

Our focus is on supporting customers who wish to settle, this is a choice for customers, and we are not putting any pressure on them to settle at this time if they prefer to include the loan charge on their 2018-19 tax return. I hope that the APPG will agree that we should support those customers that wish to finalise their settlement with us so as not to have to include the loan charge on their tax return.

We are not currently planning to write to customers who did not provide the information needed to settle by 5 April 2019, and who need to return the loan charge on their 2018-19 tax return. Our online guidance is available at [GOV.UK](https://www.gov.uk).

Kind regards



PENNY CINIWICZ
DIRECTOR GENERAL, CUSTOMER COMPLIANCE