



All-Party Parliamentary Loan Charge & Taxpayer Fairness Group

www.loanchargeappg.co.uk

Lucy Frazer QC MP
Financial Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

26th April 2022

Dear Lucy,

The Loan Charge – invitation to meet with the Loan Charge and Taxpayer Fairness APPG

We are writing to you to invite you to attend a two-hour open question and answer session with the Loan Charge and Taxpayer Fairness APPG at a time (during the Parliamentary session between Monday and Thursday) convenient to you in May.

At this stage, having seen no evidence that the Treasury is willing to admit the consequences of enforcing the Loan Charge and with no indication from you that you have looked at evidence or listened to advice other than from within HMRC and Treasury, we do not believe that a non-open meeting would be worthwhile and we wish to question you and officials on the record and hope that you will do this.

You are well aware of the huge concern amongst MPs and peers about the Loan Charge and both HMRC's conduct with regard to it and the Treasury and HMRC's failure to answer questions openly and honestly. This concern not only has not gone away, it is increasing due to correspondence both to the APPG and from MPs own constituents that shows that there will be devastating consequences if the Government doesn't change its approach and come up with a more reasonable and fair one.

We note that we have had a reply from you to our letter with 10 important questions relating to the Loan Charge and we have now also had a reply from Jim Harra to the letter with 12 factual questions relating the Loan Charge. We are deeply disappointed that in both cases, answers were evasive, misleading and in some cases completely ignored the question asked. This has been the pattern throughout the handling of the Loan Charge and it does nothing to allow proper Parliamentary scrutiny.

We are aware of the latest announcement regarding another opportunity to settle, but with no changes to the underlying demands. This is of no help to the many people who are still facing the Loan Charge who, unless the Government change course and accept that due to the fact that they are victims of mis-selling and due to the fact that HMRC failed to act t the time, should not be penalised in the draconian way that they are being, with the inevitable consequences of doing so.

You gave the impression when you were appointed of being prepared to listen and to engage, however so far you have clearly only listened to HMRC and Treasury advisers and have not challenged any of

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the information they provide you with or write in your name. This is disappointing but is also denying the truth of the Loan Charge, HMRC's conduct and the inevitable consequences of simply continuing with the Loan Charge as it is.

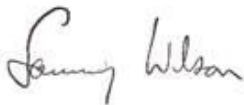
We note, with acute disappointment that you not only have failed to respond to the group of tax sector professionals who approached you calling for a new approach and a fair resolution, but that you instead asked HMRC to respond to them. This is not good enough. The approach by this group of independent tax sector professionals was to you, as the responsible Minister, to politically intervene in what you are aware is both a deeply contentious issue and also one that has caused suicides. It therefore requires political leadership and intervention and proper engagement. If you do not have the authority within the Treasury to give this, then please let us know as we will engage with more senior Ministers who do.

You will be aware that, partly due to the lack of reliable and credible information, the APPG have recently conducted a call for evidence from people facing the Loan Charge and people who have settled to avoid it. We are in the process of compiling this evidence and will share this with you, but already we can tell you that the situation people are in due to the Loan Charge is awful, with a deeply worrying number of people having expressed or expressing suicidal thoughts.

We urge you to properly look at all this evidence and to then properly engage with us and engage directly with the tax professionals who took the time to reach out to you, hoping for political leadership and compassion from you. We also hope you will accept our invitation to attend an open meeting of the APPG to allow us to question you and officials.

We look forward to hearing with you.

Yours sincerely,



Sammy Wilson MP
Co-Chair



Greg Smith MP
Co-Chair



Mohammad Yasin MP
Co-Chair

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