

PROTECT

HMRC Fraud Investigation Service (FIS) Fraud Forum Minutes Date: 19 January 2017 Time : 10.00 – 12.00	Venue: 100 Parliament Street, London Room: Room G56
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Attendees			
Richard Jackson (HMRC Deputy Director Fraud Investigation Service Proceeds of Crime) (Chair)	Dhana Abel (HMRC Fraud Investigation Service Accountants)	Anne Aldridge (HMRC Fraud Investigation Service)	Kathryn Hughes (HMRC Fraud Investigation Service Policy)
Claire Morgan (HMRC Fraud Investigation Service Policy)	Graham Ranson (HMRC Fraud Investigation Service Offshore Corporate & Wealthy)	Lesley Upton (HMRC Proceeds of Crime)	Nick Warrington (HMRC Centre for Offshore Evasion Strategy)
Jacqueline Wright (HMRC ISBC Hidden Economy)	Pauline Brookes (HMRC Proceeds of Crime) (Secretariat)	Gary Ashford (CIT)	Ian Browne (Tax Aid)
Con Kelly (AAT)	Arnold Homer (ATT)	Robert Maas (ICAEW)	Gary Rowson (TIPG)
Apologies / Non Attendees			
Steve Botham (CIOT)	Andrew McKenna (CIOT)	Chas Roy-Chowdray	Harry Travers (TIPG)
Andrew Watt (TIPG)			

Agenda Item		Actions and Decisions
1	Welcome and Introductions	
	<p>HMRC's Fraud Investigation Service (FIS) Deputy Director Proceeds of Crime, (Chair) welcomed the group to the meeting and all attendees introduced themselves and their roles.</p> <p>The Chair especially thanked Anne Aldridge and Graham Ranson for their hard work and advised that this will be the final Fraud Forum meeting that they will attend, as both are leaving HMRC.</p>	
2	Refresh of the Fraud Forum i. Outputs following HMRC's Consultation with Agent Group ii. Outputs following Agent's consultation with members	
	<p><u>i. Outputs following HMRC's Consultation with Agent Group</u></p> <p>A copy of the Chatham House Rule was handed out to attendees. The Group agreed that this was useful; the consensus was that if an area discussed was particularly sensitive, then the Chair highlight this to the Group.</p> <p>HMRC has been carrying out consultations with the Agent Group to discuss the value of the Fraud Forum to the Agent Group; HMRC will continue to gather views.</p>	<p>Action Point 1</p> <p>HMRC to bring a "Big Picture" of what is happening in HMRC to the next meeting. Consider providing a structure for Customer Compliance Group to explain how it is currently structured and</p>

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	<p>ii. Outputs following Agent’s consultation with members</p> <p>HMRC reminded the Agent Group to speak to their members and to feedback. Due to the varying size of members within the Agent Groups, some Agents give feedback to members directly and some via Committee.</p> <p>The Agent Group asked HMRC for sight of the wider HMRC landscape for example, campaigns taking place in HMRC. This would allow for greater contribution by the Agent Group into formulating campaigns. HMRC acknowledged that this had been helpful in regard to the Digital Disclosure Service.</p> <p>The Agent Group asked HMRC to consider sharing an Organisation chart showing the fundamental groups within HMRC and the Director of each Group and a Roadmap to allow the Agents to know who to contact.</p> <p>HMRC and the Agent Group both agreed that this Forum should be attended by representatives of Professional Bodies rather than individual firms.</p> <p>HMRC will liaise with CIOT to discuss whether it would be useful for an HMRC Fraud Forum member to attend a CIOT Management Tax Committee meeting.</p> <p>HMRC to ask a member of the Avoidance Fraud Forum to attend this Forum to update this Group on the Avoidance Work and Fraud landscape.</p> <p>It was considered that STEP should be represented in the Forum.</p>	<p>linkages.</p> <p>Action Point 2</p> <p>HMRC to consider attendance at the CIOT Management Tax Committee meeting.</p> <p>Action Point 3</p> <p>HMRC to ask a member of the Avoidance Fraud Forum to attend this Forum to update this Group on the Avoidance Work and Fraud landscape.</p> <p>Action Point 4</p> <p>AJH, as a STEP member undertook to take up the matter of STEP representation at the Forum appropriately, and has subsequently confirmed that he has done so.</p>
3	<p>Update on the Requirement to Correct consultation & new Notification of Structures consultation.</p>	
	<p>1. The requirement to correct legislation is at the draft consultation stage until 1 February. Following that it will then go to the Finance Bill 2017.</p> <p>Communications - HMRC has spoken to Representative bodies about work to raise awareness and keen to continue discussions.</p> <p>HMRC advised that the Requirement to Correct consultation looks at existing ways in which to make disclosure to HMRC; HMRC are not planning on creating new formats. The Agent Group requested more clarity on Worldwide Disclosure.</p> <p>2. Notification of Offshore Structure – Consultation of this subject continues until 27 February. This is currently at Stage 1 of 3 (consulting on the feasibility of the idea) and proposes to require those businesses or organisations that set up offshore structures for UK customers to notify HMRC of the structures and the clients using them. It will be similar to DOTAS (Disclosure of Tax Avoidance Schemes), and will focus on risks areas. HMRC is keen to hear views.</p> <p>The second Consultation if the decision is made to continue will focus on Hallmarks. Aims to complement not duplicate the Common Reporting Standards, to add to the global tax transparency. The start position is to understand the full tax position of the client; due diligence checks should be made and Agents will be required to tell HMRC who they are</p>	<p>Action Point 5</p> <p>HMRC has spoken to Representative bodies about work to raise awareness this will be explored with FF members further and more formal awareness measures discussed at the next FF meeting.</p> <p>Action Point 6</p> <p>HMRC to give an update on Worldwide Disclosure at the next meeting.</p>

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	<p>setting the structure up for.</p> <p>The Agent Group were pleased that HMRC had begun the Consultation at an early stage, but expressed concern that similar to DOTAS, those that are highest risk will avoid this too. HMRC acknowledged this concern and assured the Agent Group that HMRC are considering this. DOTAS was more for marketed avoidance schemes and HMRC do not want to duplicate DOTAS.</p>	
4	HMRC - Hidden Economy Challenges & Approaches	
	<p>HMRC explained that Hidden Economy sits within Individual and Small Business Compliance directorate, the Director of which is Melissa Tatton, and more specifically within the Small and Medium Enterprises customer stream. From 1 April, Hidden Economy (HE) will sit with Taskforces and Evasion. A key issue for HE is to understand the differing Behaviours of these operating in the HE and what drives these behaviours.</p> <p>The Tax Gap in relation to Hidden Economy is £6.2 billion which equates to 17% of the total Tax Gap.</p> <p>The Digital Economy and the Sharing Economy represent a changing economy which HMRC continues to monitor.</p> <p>The Gig economy was discussed at the last meeting, and potential impacts considered. Further discussion and updates on this area will be given at future meetings.</p> <p>HMRC's work on Behaviours shows that some people genuinely do not understand their obligations and for those people, HMRC will intervene to educate and support these people. Those people who knowingly choose not to meet their tax obligations will be targeted via appropriate interventions. The ultimate sanction HMRC will consider is Criminal prosecution. A recent public consultation was made on escalating Sanctions and Penalties for repeated non-compliant behaviour.</p> <p>The Agent Group stressed that the education should include the self-employed; employed and Hidden Economy staff and a public message to Employers is needed.</p> <p>Consultation also occurred on Conditionality – where conditions are placed on, for example, the provision of a licence to undertake a function, to ensure that the holder is meeting their relevant tax obligations. Minimising an additional burden on business is a key priority for HMRC and further consultation and pilot activity are likely to be required. HMRC will give updates at future meetings on this. It is recognised that many customers in this group may not have a tax adviser. HMRC want to educate its customers.</p>	<p style="text-align: center;">Action point 7</p> <p>HMRC to give updates on Conditionality at future meetings.</p>
5	Criminal underpinning of the Contractual Disclosure Facility	
	<p>HMRC distributed examples of prosecutions where people had not taken up the offer to enter CDF.</p> <p>HMRC also advised that more cases are in progress now.</p> <p>HMRC need to work with the Agent body to help them to explain to their clients</p>	

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	what to do with the CDF letter. The Agent Group agreed these examples would help them to reinforce the message.	
6	AOB	
	None	
	Next meeting: tba Venue 100 Parliament St London	