

Compliance Reform Forum – Minutes of meeting held on 9th November 2017, 100 Parliament Street, Westminster, SW1A 2BQ

External Attendees

Gary Rowson: Tax Investigation Practitioners Group
Chas Roy-Chowdhury: Association of Chartered and Certified Accountants
Susan Cattell: Institute of Chartered Accountants of Scotland
Gary Ashford: Chartered Institute of Taxation
Brian Palmer: Association of Accounting Technicians
Anne Davis: Institute of Financial Accountants.
Will Silsby: Association of Taxation Technicians
Robin Williamson: Low Incomes Tax Reform Group
Andrew Tall: Institute of Chartered Accountants in England and Wales
Ian Browne: TaxAid
Samantha Mann: Chartered Institute of Payroll Professionals
Sue Cave: Federation of Small Businesses.

HMRC Attendees

Penny Ciniewicz (Chair): Director General Customer Compliance

Matthew Vick (Co-Chair): Deputy Director Individual and Small Business Compliance

Bozena Hillyer (Co Chair): Deputy Director Wealthy and Mid-sized Business Compliance

Heather Smith – Director Customer Compliance Finance and Planning

Dave Rasmussen: Secretariat

Umair Wazir: Secretariat

Jo Osborne: Secretariat

Speakers:

Philippa Madelin – Deputy Director Customer Compliance Strategy Unit

Jennie Haslett – Customer Strategy and Tax Design (CS&TD)

Andrew Sackey - Fraud Investigation Service (FIS)

Simon Cubitt – Fraud Investigation Service (FIS)

Anthony Usher – Fraud Investigation Service (FIS)

Lesley Houlston – Counter Avoidance (CA)

Phil Gilbert – Counter Avoidance (CA)

Clare Sheehan - Transformation

Apologies:

Mary Aiston – Director Wealthy and Mid-sized Business Compliance

Steven Timewell – interim Director Individual and Small Business Compliance

Agenda Items

Strategic Update: HMRC Strategy

Corporate Criminal Offence

Cyber Advice

The Rangers Outcome

Update on Making Tax Digital

Welcome and introductions

1. Penny Ciniewicz (PC) welcomed everyone to the meeting, outlined the agenda and introduced the HMRC representatives.

Strategic Update.

2. Philippa Madelin (PM) gave an overview of the published HMRC Strategy, outlining the 8 key strategic principles.
3. PM outlined how the HMRC Strategy linked to compliance, sharing initial work on the Compliance Strategy with members.
4. Members welcomed the opportunity to have sight of the Compliance Strategy and were keen to work with HMRC to develop communication and guidance.
5. The issue of tailored communication and use of clear language was discussed recognising the different levels of understanding of tax technical issues across customer segments.
6. PM agreed that engagement with customers was important to the successful launch of the strategy and noted the members' support.
7. Suggestions were made to provide links in the Compliance Strategy to the customer charter and PCRT (professional conduct in relation to taxation) with the members seeing this as a useful way to reinforce existing communications.

Corporate Criminal Offence

8. PC introduced Jennie Haslett (JH) from CS&TD and Andrew Sackey (AS) from FIS who gave a presentation on the Corporate Criminal Offence.
9. JH recognised the varying levels of knowledge and understanding focussing on the 6 principles in HMRC's guidance.

10. Members thanked the speakers for a very interesting presentation, acknowledging HMRC's guidance in this area is very good. They noted that reasonable procedures and processes should already be in place, referencing PCRT
11. There was a wide ranging discussion about reasonable procedures, specifically focussing on what is reasonable and the need for clear processes to be in place and the need for clear documentation of those processes.
12. The session also touched on the differences between Anti-Money Laundering regulations and the Corporate Criminal Offence, specifically the unregulated sector: JH said the criminal conviction aspect of the Corporate Criminal Offence would change the risk appetite, focusing minds and changing behaviour.
13. AS drew members' attention to the Corporate Criminal Offence self reporting portal. The intention is to promote the understanding of what is reasonable.

Cyber Advice

14. PC introduced Simon Cubitt (SC) and Anthony Usher (AU) from FIS who joined the meeting to give a presentation on cyber advice.
15. SC and AU outlined the timeline of major attacks identified against HMRC from 2005 to present day highlighting the evolving attack MO's.
16. SC and AU detailed the lead HMRC is taking across Government in reducing harm from cyber-attacks, referencing the global nature of the work and the innovative use of new and developing technologies.
17. The members thanked the presenters for a thought provoking session acknowledging the need for clear accessible guidance on how tax payers can safeguard their details. However, they noted the varying levels of capability and understanding of the nature of the threat and where to look for clear, consistent advice.
18. AU and SC welcomed the opportunity to work with Professional Bodies, and through them their members, to get the right level of education across.
19. It was noted that there were a number of initiatives and all recognised the benefit in linking these initiatives to give a consistent view.
20. ***AP AU and SC to work with members to develop a suitable case study that could be used in guidance***
21. ***AP Anne Davis (IFA) offered to work with HMRC to link up with the work she is doing with the Home Office and Accountancy Sector on the Flag it Up Campaign***
22. PC thanked the presenters for a stimulating session acknowledging the opportunity presented to work together to strengthen defences and spread understanding.

The Rangers Outcome

23. PC introduced Lesley Houston (LH) and Phil Gilbert (PG) from Counter Avoidance to the meeting for their presentation of the Rangers outcome.

24. LH thanked the members for the opportunity to give the details of how HMRC is working with our customers and their agents to bring an effective close to disguised remuneration tax avoidance schemes.
25. Both LH and PG emphasised that HMRC want to ensure that the settlement teams generate as frictionless an opportunity as possible to ensure HMRC was offering good effective settlements. Highlighting that HMRC sees this as a collaborative approach working customers and their agents.
26. LH outlined the processes HMRC have already put in place, including points of contact for registering an interest in settling and dedicated teams providing effective customer support.
27. The session generated a wide ranging discussion about the processes in place and potential blockers to settlement.
28. Member recognised settlement should be reached, although they questioned whether different approaches would be taken for corporate or individuals. In addition some concerns were expressed over whether HMRC had enough resource to deal with settlements.
29. PG recognised that there were concerns, and reiterated the processes HMRC had put in place to reach effective settlement. There was opportunity to agree extended time to pay agreements, acknowledging this may be otherwise a blocker to early settlement for some and encouraged members to approach the dedicated support team for these early conversations. On the resource point training was being delivered and calls were already out for people to support settlement work if needed.
30. The wide ranging discussion touched on the 2019 loans charge, whilst noting that legislation is still passing through Parliament.
31. In conclusion LH encouraged PB to work with their members to work with HMRC to help their members and clients to settle at the earliest opportunity and reiterated the collaborative approach HMRC was taking to reach these effective settlements to bring matters to an effective conclusion.
32. PC thanked the presenters for their presentation which stimulated discussion and noted the offer of members to work with HMRC on effective communications.
33. **AP Gary Ashford (CIOT) offered to work with LH/PG on effective communications for HMRC to use.**

Making Tax Digital (MTD) update

34. PC introduced Clare Sheehan (CS) to members for her update on MTD
35. CS acknowledged that MTD had generated considerable interest at previous meetings and looked to provide members with an update on both MTD for business and individuals, including timelines.
36. The introduction of Simple Assessment was discussed highlighting how HMRC are making better use of the data it holds for individuals.
37. CS discussed the timelines for mandation for MTD, noting the legislation included within the current Finance Bill.
38. The session generated significant discussion and members raised concerns about the potential impact of Brexit on VAT.

39. The importance of clear, consistent and timely communication around MTD, both for individuals and business was raised by members and acknowledged by CS.

AOB

- 32. AP PC asked members to contact the secretariat with any other business in order to allow more time for discussion on agenda items.**

Summing Up

33. Chas Roy-Chowdhury (CR-C) ACCA was invited to give a summary of the meeting on behalf of the members. In his summary he set out what he saw as key issues arising from discussion, including:
- a. The need for good cyber security noting that good, clear advice must be given, with specific help given for those less capable to understand. This is an area that HMRC can work together with Professional Bodies on.
 - b. The need for better coordination of communication and advice, specifically in relation to MTD, for example, as new services are added to PTA these should be communicated clearly.
34. PC thanked the members for their time and CR-C for his summary.

Next Meeting

35. The next meeting will be on the 1st March at 100 Parliament Street.