

Notes of Wealthy External Stakeholder Forum

9<sup>th</sup> February 2018 at 100 Parliament Street, London.

**Attendees:**

HMRC

Nicole Newbury (Deputy Director – Wealthy and Forum Chair)

Steve Crockett (Forum Secretariat)

Louise Roberts (Wealthy Assistant Director - Technical)

Stevie Roden (Communications Business Partner – Wealthy & Midsize Business Compliance {WMBC})

Michael Oliver (Wealthy Strategy Team)

John Shuker (Customer Strategy Tax Design {CSTD})

Jamil Mohamed (CSTD)

Graham Davies (CSTD)

Louise Prentice (CSTD)

Max Taylor (WMBC Insight, Understanding & Risk)

External Forum Members

Daniel Nesbitt (STEP)

Penelope Lang (ICAS)

Jamie Younger (EBG)

Oliver Rowland (ATT)

Mark Levitt (ICAEW)

Malcolm Offord (AIETP)

Imogen Davies (Law Society)

David Mellor (CIOT)

David Hughes (CIOT)

Apologies

Martyn Gowar (STEP)

Stefan Paduraru (AFME)

Alan Gourley (NITC)

## 1. Welcome and Introductions

Nicole Newbury (NN) welcomed forum members and Steve Crockett (SC) covered domestics before handing over to NN to provide a general update on news from across HMRC's Wealthy team.

## 2. Wealthy Update

NN updated the forum on recent developments within Wealthy. The cooperative compliance model remains and it's hoped that the change to Wealthy has brought no significant impacts on service.

There was some brief discussion around the launch of the Customer Compliance Manager name/role. There was also some discussion on the size of the combined population within Wealthy from the ultra-wealthy to those who'd previously been described as Affluent and how the Wealthy population could be defined in the future, with work underway to explore this.

NN and Louise Roberts (LR) discussed how we already benefit from the many skills and abilities of our staff and plan to continue investing in training and the capability of our people within HMRC Wealthy to ensure both existing and any new staff continue to have all the technical capabilities needed to be effective in handling Wealthy taxation in the future.

NN updated the forum on how we continue to invest in using innovative, intensive ways to address the minority of wealthy customers who are non-compliant on their taxation responsibilities. We have a specialist High Risk Program in place with colleagues across multiple areas of HMRC to tackle those highest risk customers and to ensure they meet their responsibilities.

## 3. Trusts Update

Jamil Mohamed (JM) updated the forum on the Trusts Registration Service (TRS), which went live in summer 2017. JM said that the stakeholder feedback received had been considered and changes were made to both the system, guidance and registration deadlines after taking this into account. It was confirmed that the guidance published on third party websites was currently showing as draft until formal guidance is published on the gov.uk website. The details of the penalty framework will be published in early March and details about what trustees and agents should do when they do not have all the beneficial ownership details is set out in December 2017 edition of HMRC's Trusts & Estates newsletter on [gov.uk](http://gov.uk).

Separately, JM noted that a consultation document was also planned for publication during 2018 on reforms to make trust taxation simpler, fairer and more transparent. JM said HMRC would be happy to engage with forum members and other key stakeholders in due course on this when the consultation document was confirmed and published.

#### 4. Centre for Offshore Evasion – new offences, worldwide disclosure & reporting standards

John Shuker (JS) provided some background on HMRC's No Safe Haven Strategy – first published in 2013 – and on the previous opportunities offered for disclosure of offshore tax liabilities and the Worldwide Disclosure Facility which is currently in place. JS went on to summarise the Common Reporting Standard (CRS) Provisions noting that 107 jurisdictions had already signed up to this. A range of new offences and penalties have been introduced in the UK to implement the strategy and ensure it was in the best interests of anyone with undisclosed offshore tax liabilities to come forward as soon as possible and put their affairs in order.

JS added that further communications to raise awareness with the public of the new provisions are planned in the coming months. Members raised a range of queries around how the data HMRC receive will be managed, what approaches HMRC will take when identifying new data and whether Brexit was expected to impact on CRS.

#### 5. Requirement to Correct Legislation Update

Graham Davies (GD) shared a handout with forum members present and talked through some key points from the 'Requirement to Correct' legislation including a reminder of the key deadline for making corrections of 30 September 2018. GD said that forum members were welcome to contact him if they'd like to arrange for him or a member of his team to attend any other agents' forums to summarise the position and answer questions.

Forum members raised queries around the appeals process, appropriate expertise clause and how disclosures should be made initially then going forward. GD said there are a number of ways to make disclosures including using the Worldwide Disclosure Facility.

#### 6. Wealthy External Research

Louise Prentice (LP) summarised progress on the external research being carried out by Wealthy with CCM and Compliance team customers and their agents. The pilot stage had been completed, with the same methodology to be used for the main research stage. LP thanked all agents and forum members who had volunteered to help with the research and took a sample of members' feedback who'd been involved or heard from participants. Insight gained from this research will help us to better understand the factors influencing the behaviour of Wealthy customers and how we can drive voluntary compliance amongst this group.

#### 7. Wealthy Brexit Insight

Max Taylor (MT) introduced himself to the forum as a member of WMBC's Insight, Understanding and Risk Team and said he was keen to get any feedback from members on any general Brexit related concerns or observations they'd picked up from across the UK's Wealthy population so far.

Issues and trends were raised by members around;

- citizenship for non-domiciled individuals,
- the combined impact and uncertainties caused by Brexit and non dom legislation and increased numbers leaving the UK,
- lack of certainty/clarity about what post Brexit will look like,
- compliance costs relating to new and recent legislation,
- increased risk averseness and decisions on investment in UK being put off with desire for flexibility,
- investment houses using Brexit as a potential selling point for global investment funds to UK customers/investors.

#### 8. Any Other Business

SC said he would contact forum members with a draft copy of the notes and would be in touch in due course with a proposed date for the next forum. NN closed the meeting and thanked attendees for their time and valuable input to the discussions.

#### Action Points

- SC to share Requirement to Correct slides and JS's paper electronically with forum members.
- JM to forward SC a link to Trusts & Estates newsletter on gov.uk website to send round to all members – <https://www.gov.uk/government/publications/hm-revenue-and-customs-trusts-and-estates-newsletters>
- Forum members can email the forum mail address with any further Brexit related feedback.
- Members to let us know through the forum mailbox if they see examples of cases where Wealthy capability build doesn't seem to be working in the anticipated way, for NN and our team to take forward.