



HM Revenue
& Customs

Jim Harra
Chief Executive and First Permanent
Secretary

Meg Hillier MP
Chair
Public Accounts Committee
House of Commons
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Dear Ms Hillier,

I am writing to let you know of a transfer of the Tax Assurance Commissioner role from Melissa Tatton to another Commissioner of Revenue & Customs, Justin Holliday.

Melissa will shortly be leaving HMRC to join Ofcom, and will therefore be stepping down as a Commissioner. Justin is an experienced Commissioner and has significant tax knowledge and experience gained with the department. He has no dealings with taxpayers on their tax affairs and has no line management for case worker teams. Justin is respected in the wider tax and finance community.

Tax assurance and dispute governance arrangements since 2012

The current tax assurance and dispute governance arrangements were introduced in 2012. These followed comments and recommendations from the Public Accounts Committee and HMRC's recognition that we needed to make changes to reassure Parliament and the public about the way we handled tax disputes.

The arrangements included the introduction of the role of Tax Assurance Commissioner to ensure that Parliament and the public can have confidence in HMRC's resolution of disputes. This Commissioner has an explicit challenge role to assess whether a proposed settlement secures the right tax and whether taxpayers are being treated even-handedly. Importantly, he or she does not engage with specific taxpayers about their liabilities, nor manage case-workers.

We will continue with our successful governance arrangements, including the requirement that three Commissioners all have to agree in order for a settlement proposal to be accepted.

Litigation & Settlement Strategy

How we resolve disputes is set out in our Litigation and Settlement Strategy (LSS), which was last updated in 2017. Everyone in HMRC who is engaged in dispute working or dispute governance follows this, including the Commissioners. The LSS explains how HMRC seeks to resolve tax disputes through civil procedures consistently within the law, whether by agreement with the customer or through litigation. This means a settlement is only reached when HMRC agrees that it secures the right tax under UK tax law.

Code of Governance

Our published Code of Governance sets out the framework for making decisions to resolve tax disputes. This is in place to ensure that we deal with all cases fairly and in an even-handed manner. The framework operates on a number of key principles, including ensuring that each group within HMRC has a process in place for referring larger, more complex cases and sensitive cases to decision making bodies made up of senior tax and other professionals from across HMRC. For taxpayers that meet the relevant criteria, proposals for dispute resolution are agreed either by the Customer Compliance Group Dispute Resolution Board, or by three Commissioners, including the Tax Assurance Commissioner. Cases going to the Commissioners are first reviewed by the Tax Dispute Resolution Board who make recommendations to the three Commissioners as to whether or not to accept the resolution proposals.

Conclusion

I hope this reassures you that HMRC takes its duty to Parliament and the public very seriously.

I am also writing to the chair of the Treasury Select Committee and to the NAO so that they are aware of this change.

Yours sincerely



JIM HARRA
CHIEF EXECUTIVE AND FIRST PERMANENT SECRETARY