

ANONYMOUS - WRITTEN EVIDENCE (DFE0009)

Draft Finance Bill 2020-2021 inquiry

Q: How effective are the existing powers of HMRC in tackling promoters and enablers of tax avoidance schemes?

Looking at DOTAS, POTAS & GAAR - How many successful convictions have their been under these rules?

Within the independent Loan Charge review: Chart 1.A: Number of loan schemes used each year - dotas introduced 2004, gaar in 2013 & potas in 2014

2012-13 - 12250

2013-14 - 14500

2014-15 - 14250

2015-16 - 13750

2016-17 - 8250

2017-18 - 8750

Q: What has been your experience of the Promoters of Tax Avoidance Schemes (POTAS) rules and the enablers rules in practice?

Mere puff piece with no real bite. Certainly nothing to actually scare/stop promoters with such rich rewards for promotion of these schemes.

Q: HMRC's communications likely to be effective in informing potential scheme users about schemes, and so deter them from participating?

Spotlights, comms to tax professionals and large corporate employers do not engage nor reach scheme users. Needs to be on a lower level on a much wider scale and engagement/comms to users/promoters of schemes as soon as HMRC are aware of schemes.

Q: How effective will the proposed measures be against those who promote aggressive tax avoidance schemes, and in informing and deterring potential scheme users? What else could HMRC be doing in this area?

Just make tax avoidance illegal. No grey areas, legal or illegal. If true offsets being used for a tax advantage then should be clearly stated/evidenced each financial year on a tax return.

The use of technology should play a huge part. Understanding a scheme then finding out who is using this scheme. Who is behind these schemes.

It's normally a handful of persons behind most of the schemes.

Q: Are the safeguards being proposed sufficient to ensure an appropriate balance is struck between HMRC and taxpayer?

No. Using the game of poker as an analogy, HMRC already have far more monies than an everyday individual. With them looking at the taxpayers hand that makes a totally one sided "game". The ordinary taxpayer would be wiped out. Guilty from the outset and next no chance to prove innocence.

My experience within the Loan Charge. Tax years 2008-2009, 2009-2010 & 2010-2011 had discovery assessments opened in Jan 2013 (08-09) & Jan 2014 (09-10, 10-11).

No detail in what law had been broken nor under what legislation that the tax is due. We're now at the end of 2020, interest accruing on an unproven tax amount with HMRC not engaging.

HMRC know that they can do nothing and just the interest accrue on the debt as this will cripple a family. HMRC do nothing and "win". An individual bankrupt, no monies reclaimed, no tax payer to pay taxes due to being incapacitated to work through the mental duress.

Tuesday 6th October 2020