Written evidence submitted by the Association of Accounting Technicians (AAT)

About AAT

Association of Accounting Technicians (AAT) is a professional accounting body with over 130,000 members,
70% are women, 60% work for or own their own SME, and 20% of its 80,000 students are apprentices.

AAT also directly licenses and regulates over 5,000 accountants who provide tax and accountancy services to more than 500,000 British businesses.

Introduction

This response utilises the numbering of items in the HM Treasury publication Autumn Budget and Spending Review 2021: A stronger economy for the British people, 27 October 2021.

This response focuses solely on section five of the above document i.e. policy changes.

AAT has not responded to every proposed change given both the time constraints of having to respond promptly
and taking into account that some areas are of limited importance or no relevance to AAT members, or where the
outcome is self-evident.

AAT has used the recommended traffic light system of Green (pass), Amber (neutral) and Red (fail) against the Treasury Select Committee's six guiding principles of tax policy i.e. that proposals should be: 1) fair 2)
support growth and competitiveness 3) certain 4) stable 5) practical 6) coherent.

Tax after Coronavirus

In response to a request to comment on Budget developments in the context of the Treasury Committee's March 2021 report into Tax after Coronavirus, AAT believes that the important considerations and recommendations made within that report have been largely disregarded by Government, certainly in relation to the Autumn 2021 Budget.

The Committee report into Tax after Coronavirus stated that, "*As part of its recovery from the coronavirus pandemic, the UK has an opportunity for a comprehensive review and reform of the tax system*[1]." The Budget was certainly not the start of such a review and reform process, with only minor changes being made.

On the key Committee recommendations contained within its Tax after Coronavirus report i.e. reforming pensions tax relief; major reform of the tax treatment of the self-employed and employees; reform of capital taxes; reform of Stamp Duty; reform of Council Tax and a commitment to publishing an overarching tax strategy, the Budget was silent.

There was some movement on reforming Business rates but very little. Likewise, on the role that the tax system can play in reaching "net zero", by incentivising behavioural changes, there were some positive measures e.g. in relation to business rate exemptions relating to renewables, but these were outweighed by the announcement of a reduction in Air Passenger Duty for domestic flights - the most carbon intensive form of travel, which emits more CO2 per person per mile than long haul flights - and the environmentally damaging decision to freeze fuel duty for the twelfth consecutive year.

Furthermore, rather than curtailing public spending to repay the hundreds of billions of pounds of Covid-19 related debts, an additional £150bn of spending was announced this week. As the Chancellor confirmed, this means a real terms spending increase for every government department.

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[1]**Tax After Coronavirus, Treasury Select Committee, March 2021:**
https://publications.parliament.uk/pa/cm5801/cmselect/cmtreasy/664/66411.htm

Although borrowing is lower than planned due to unexpectedly higher tax receipts, borrowing in September 2021 was still the second highest borrowing figure for any September since records began in 1993, which serves to highlight the precarious nature of public finances, as does the fact that at the end of the last financial year on 31 March 2021, the UK's gross debt was over £2.2 trillion (106% of GDP) and net borrowing was more than £300 billion (equivalent to 14.5% of GDP)[2].

[2] **ONS, UK government debt and deficit: March 2021, published July 2021:** **https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicspending/bulletins/ukgovernmentdebtanddeficitforeurostatmaast/march2021**

AAT response to the October 2021 Budget

National living wage and welfare

5.5 Living wage increases
AAT supports the proposed increases in the National Living Wage (NLW) and National Minimum Wage (NMW) following the recommendations of the independent Low Pay Commission.

The last AAT member survey on the issue (2017) demonstrated an overwhelming majority of AAT members (70%) backed the idea of further increases in the minimum wage – and 60% of AAT members either work for or own their own small business.

It is also worth noting that the vast majority of the 9,000 or so organisations that have gained Living Wage Foundation accreditation, by paying above the legal minimum, are small businesses.

This indicates that there is a great deal of support for higher minimum wages amongst the small business community.

5.6 Universal Credit taper and work allowance
AAT very much supports the basic principle of allowing working households on Universal Credit to keep more of what they earn, which in turn should help encourage work. As a result, the reduction in taper relief from 63% to 55% by 1 December 2021, is a helpful step forward.

5.14 Extension of Employment and Support Allowance COVID-19 regulations
AAT welcomes the decision to extend this allowance so that individuals affected by COVID-19 will continue to benefit from temporary changes to new style Employment and Support Allowance (ESA) until 24 March 2022. Given the high degree of uncertainty around the ongoing impact of Covid-19 AAT believes this measure should be kept under review and extended further if necessary.

5.16 High-Skilled Migration
AAT believes that changes to the UK's immigration system are essential to attract more highly-skilled people to the UK than is currently the case although it also recognises the welcome commitment to much greater levels of reskilling and upskilling the British workforce, which should offset the need for high skilled migration in the medium to long term. AAT agrees that a new Scale-up Visa, launching in spring 2022, should help the UK's fastest-growing businesses to access overseas talent, providing salary and language requirements are met, in the short term.

5.17 Global Talent Network
Again, as with the new Scale-up visa, the creation of a Global Talent Network to bring highly skilled people to the UK in key science and technology sectors is a development that should assist in attracting the brightest and best to the UK as should the DIT Global Entrepreneur Programme. AAT notes the very small numbers involved (100) which may be a cause for concern but is perhaps understandable when considering the need to strike an effective balance between the need to upskill and reskill the UK workforce rather than relying too heavily on overseas talent.

5.19 Corporate Re-domiciliation
This is not a key area for AAT but anything that makes it easier for successful companies to relocate to the UK should be considered and consulting on this issue is therefore a sensible approach.

Making markets work better

5.20 National Savings & Investment (NS&I) Green Savings Bond

Although Green Savings Bonds are an attractive idea, the interest rate of 0.65% being offered is derisory, even in the current low interest rate environment. This seriously undermines the attractiveness and credibility of the offer. Many alternative three year bonds offer interest rates of more than 1%, with market leaders Hoist Savings, QIB Bank and ISBank offering 1.78%, 1.77% and 1.75% respectively. A unique selling point is said to be the HM Treasury-backed 100% guarantee for these bonds (up to £100,000) but in reality this is little more than the majority of alternative bonds provide via the Financial Services Compensation Scheme (FSCS) guarantee of up to £85,000.

5.21 Consulting on further regulatory changes to support pensions investment in long-term, productive assets

The regulatory cap has applied since April 2015, is set at 0.75% of funds under management and applies to all scheme administration and investment charges. Many large pension providers charge substantially less, The People's Pensions charges a flat rate of 0.5% for its pensions whilst Scottish Widows charges a range of different percentages depending on variable factors but does offer as low as 0.45%.

The cap excludes transaction costs when buying and selling assets which is an unnecessary loophole that should be closed. Consumer protection is paramount and any changes to the cap should be downward rather than upward.

Supporting businesses and sectors

5.22 Recovery Loan Scheme

Extending the Recovery Loan Scheme until 30 June 2022 will help to ensure that lenders continue to have the confidence to lend to small and medium-sized businesses at a time when many face a tsunami of challenges from pandemic recovery and Brexit to tax rises, material price increases and labour shortages.

5.24 Help to Grow Schemes

The Help to Grow schemes offer much needed management and technology learning to small businesses and AAT has proactively supported take-up of these schemes amongst both its membership and its members client base[3]. However, small changes in eligibility could certainly be made, for example;

- allowing more than one person per company, especially important for larger SMEs
- ending the exclusion of those who have been on the Small Business Leadership Programme to enable them to participate
- allowing businesses with fewer than 5 employees to participate

It would also make sense for charities to be permitted to participate given the contribution they make the to the British economy. In addition to ending exclusions and increasing flexibility with regard to eligibility criteria, the lack of national marketing activity for these schemes is a considerable cause for concern. Government's failure to provide any national marketing activity for Help to Grow means there remains very low awareness of the schemes amongst the small business community.

The ambition to provide over 100,000 SMEs with an opportunity to boost their productivity through world-class management training and support for digital adoption is laudable but the initially low take-up of the management programme reinforces AAT's concerns that these could prove to be a missed opportunity without prompt Government intervention.

5.27 English Freeports tax site designation

AAT has previously expressed its views on Freeports in its April 2020 response to the Government consultation on the concept[4]. AAT recommended that the Government mirror the example of the Luxembourg Freeport which enjoys many benefits but is simultaneously obliged to meet all of the EU's anti-money laundering requirements, which it has proven capable of doing whilst thriving.

AAT welcomes the idea of Freeports in principle but remains concerned about the potential for money laundering at such sites if not introduced carefully.

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[3] **AAT Comment, October 2021:**
https://www.aatcomment.org.uk/audience/members/how-accountants-can-help-small-businesses-find-help/
[4] **AAT response to DIT consultation on Freeports, April 2020:**
https://www.aat.org.uk/prod/s3fs-public/assets/Freeports-consultation.pdf

Personal tax

5.28 The Health and Social Care Levy
AAT agrees with the Government and many others that the NHS and Social Care requires increased funding, and that such increases should not be funded by more borrowing and debt. However, the Health & Social Care Levy is probably not the best means of securing additional funding.

This is because NICs start being due at a lower level of earnings than income tax, compounding the effect on those on low incomes. For example, someone earning £20,000 a year would have to pay an extra £104 for every 1% NICs increase compared to £74 if income tax were increased instead.

There are 2 million buy-to-let landlords in the UK, more than half of which are in the richest 20% of UK households and yet those who earn an income from property will pay nothing. In contrast, those earning the national minimum wage will pay more. That is inherently unfair.

Similarly, whilst much has been made of the fact the 1.3m working pensioners will pay the 1.25% levy, they remain exempt from NICs, something that AAT has repeatedly argued against. In addition, two thirds of pensioner households have private pension income that is exempted from the Levy too. The issue of intergenerational fairness appears to be no more than a slogan.

Perhaps most significantly, a NICs rise for employers at a time when they are facing unprecedented challenges in the form of staff and material shortages and associated cost increases - together with other pandemic and Brexit related challenges -will undoubtedly slow the UK's economic recovery.

Of course, increasing income tax instead was not the only alternative. AAT had previously recommended increasing Capital Gains Taxes in our response to the OTS review of CGT last year. Likewise, reductions in Inheritance Tax exemptions and reliefs, replacing the triple pensions lock with increases in line with CPI and ending the NICs exemption for working pensioners would have formed an arguably fairer package of changes to deliver increased funding.

Successive governments have ducked this issue for decades and so AAT welcomes the fact that decisive action has been taken to raise much needed funds. Between 2018−19 and 2024−25, the NHS England budget will have increased by 3.9% a year in real-terms and a new mechanism to fund social care will have been established. It may be an imperfect solution, but it is a solution nevertheless.

Pensions and savings

5.33 State Pension uprating
AAT accepts that the earnings data series has been distorted by the pandemic and understands the rationale for legislating to temporarily suspend the earnings element of the 'Triple Lock' used to uprate the State Pension and Pension Credit.

However, this does nothing to tackle the long term unsustainability of the pensions triple lock, which as AAT has repeatedly stated[5], should be scrapped in favour of annual increases in line with the Consumer Prices Index (CPI) measure of inflation. This would continue to provide annual increases that ensure older people are able to live with dignity and the respect they rightly deserve whilst simultaneously saving £6bn for British taxpayers by 2024-25[6].

5.36 & 5.37 Individual Savings Account (ISA), Junior ISA and Child Trust Fund annual subscription limits
In 2018, AAT led a cross-party and savings industry review of the ISA landscape and one of its key recommendations was to scrap the £20,000 annual allowance in favour of a £1m lifetime allowance to promote simplicity and ease of operation. The £1m figure not only broadly replicates the current Pensions Lifetime Allowance, but it also equates to an annual allowance of £20,000 per year for 50 years, sufficient for most savers. As the review noted;

"It would also limit the overall operational costs to Government/taxpayers. Replacing annual limits with a lifetime limit will also address the fact that the current rules strongly favour those who are wealthy

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[5] AAT submission to Treasury Select Committee, Tax After Coronavirus Inquiry, September 2020:
https://www.aat.org.uk/prod/s3fs-public/assets/AAT-response-treasury-select-committee-coronavirus-tax.pdf
[6] OBR, Fiscal Sustainability Report, July 2020:
https://cdn.obr.uk/OBR_FSR_July_2020.pdf

enough to invest £20,000 every year. Working group members were clear that this £1m limit is a contributions limit only i.e. savers are not allowed to invest more than £1m during their lifetime but the limit may be exceeded when interest payments and/or dividend payments are taken into account. This avoids penalising good investment performance as well as the complications of ongoing account monitoring by either the saver, HMRC or both."[7]

Corporation tax reliefs

5.38 Research and Development (R&D) tax reliefs
Expanding qualifying expenditure to include data and cloud costs, to capture the benefits of R&D more effectively, is something that AAT had specifically recommended in its March 2021 response to the Government consultation on the issue[8] and is therefore very much supported.

5.39 Annual Investment Allowance extension (AIA)
The AIA limit of £1m was temporarily extended until the end of 2021 prompting AAT to recommend (in its March 2021 Budget response to the Treasury Committee) that it should instead be extended until 31 March 2023. AAT is therefore pleased that the Government has belatedly done so and recognises this is also in keeping with a Treasury Committee recommendation contained within its March 2021 Tax After Coronavirus report.

Business rates

5.44 Business rates
The decision to introduce a 100% improvement relief for business rates that will provide 12 months relief from higher bills for occupiers, where eligible improvements to an existing property increase the rateable value, is a reasonable measure that should encourage investment and help offset the disincentives associated with higher business rates being payable on improved premises. Whether it is sufficient to do so on a large scale is unclear and so the review in 2028 is eminently sensible.

The introduction of a targeted business rate exemption for eligible plant and machinery used in onsite renewable energy generation and storage, and a 100% relief for eligible heat networks, to support the decarbonisation of non-domestic buildings is something that AAT has previously recommended, is long overdue and is therefore very much welcomed.

Given AAT's repeated calls for a three year revaluation process as a stepping stone to an annual process, AAT is naturally supportive of Government plans to introduce a switch from a 5 to 3 year cycle[9]. However, whilst HM Treasury has made vague statements relating to annual revaluations as "under consideration for the longer term" AAT strongly believes that annual revaluations should be the ultimate objective and that such a change should not be delayed indefinitely. Instead, a clear roadmap should be established ASAP to ensure businesses have a definitive timetable of action. HM Treasury's latest consultation on the issues stated the costs of annual revaluations would outweigh the benefits but this claim remains unsubstantiated. If HM Treasury has such evidence then it should be published.

5.45 Online Sales Tax consultation (OST)
AAT supports the decision to explore the arguments for and against a UK-wide OST but agrees with former Government adviser, Iceland and Wickes Chief Executive Bill Grimsey who questioned why a sales tax should only apply to online retailers. His study[10] suggests that a "sales tax" of 2% on all UK

[7] **Time for Change: A review of the ISA landscape, March 2018:**
https://www.aat.org.uk/prod/s3fs-public/assets/AAT-ISA-Working-Group-Time-change-review-ISA-regime.pdf
[8] **AAT response to the HM Treasury & HMRC consultation on R&D Tax Reliefs, March 2021:**
https://www.aat.org.uk/prod/s3fs-public/assets/AAT-response-HMRC-HM-Treasury-consultation-research-development-tax-reliefs.pdf
[9] **AAT response to HMT &MCHLG consultation on more frequent revaluations, 2021:**
https://www.aat.org.uk/prod/s3fs-public/assets/AAT-response-HM-Treasury-MHCLG-consultation-more-frequent-revaluations.pdf
[10] **The Grimsey Review, Covid Supplement 2020:**
http://www.vanishinghighstreet.com/wp-content/uploads/2020/06/Grimsey-Covid-19-Supplement-June-2020.pdf

retail sales would produce the same amount of revenue for the Exchequer as that produced by business rates in the retail sector. As a result, it would appear somewhat remiss to limit the exploration solely to an online sales tax and instead to look at the wider advantages and disadvantages of an all-encompassing sales tax that could help level the playing field between online and bricks and mortar retailers.

Property tax

5.47 Capital Gains Tax (CGT): property payment window
AAT has campaigned for an increase to the 30 day payment window for the last 18 months, discussing the issue with HMRC, MPs, Peers, the OTS and others in an attempt to ensure our members views[11] were acted upon given the considerable difficulties the switch to 30 days was causing for both those with a liability and their accountants.
As a result, AAT is very pleased that Government has taken these concerns seriously and acted accordingly.

There remains an issue with many estate agents and solicitors/conveyancers not advising their clients of reporting requirements and AAT, together with other accountancy and tax professional bodies, continues to work closely with HMRC to improve guidance in this area, but doubling the payment and reporting window from 30 to 60 days will certainly improve the situation.

Energy, environment and transport taxes

5.48 Aviation Tax Reform
Earlier this year, AAT urged Government not to reduce Air Passenger Duty (APD) for domestic flights because of its environmental impact[12].

Although AAT recognises that the government has a range of competing priorities to balance i.e. improved domestic connectivity, securing the optimum level of tax receipts and environmental goals, it believes the reduction in APD for domestic flights wrongly prioritises the former over the latter.

AAT understand that from an environmental perspective, Government is keen for the narrative to focus on increased APD for long haul flights. However, it is essential to understand that domestic and other short-haul flights are the most carbon intensive form of travel and emit more CO2 per person per mile than long haul flights.
As a result, the decision to cut APD for domestic flights flies in the face of a wealth of national and international evidence about just how environmentally damaging this will be and seriously undermines the UK's credibility just a few days before COP26 begins. There can be no doubt that this contradicts and greatly weakens government policy on seeking to reach "net zero" by 2050.

5.51 Vehicle Excise Duty (VED) & 5.55 Fuel duty rates
Freezing fuel duty UK-wide for the twelfth consecutive year may be politically expedient but according to the OBR it has cost the taxpayer a staggering £65bn since 2012 in foregone tax revenue. Arguably more importantly, it also serves to undermines the Government's stated commitment to reach net zero by 2050 or sooner as the freeze is estimated to have caused carbon emissions to be at least 5% higher than they otherwise would have been[13].

This decision fails the Treasury Select Committee's test on coherence. As AAT outlined in its recent response to the Transport Select Committee inquiry into road pricing[14], the Treasury should give serious consideration to scrapping fuel duty, VAT on fuel and fuel duty in favour of Pay As You Drive (PAYD) taxation based on existing telematics technology utilised by the insurance industry.

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[11] **AAT Comment, August 2021:**
https://www.aatcomment.org.uk/trends/tax-reform/reporting-capital-gains-tax-liabilities-30-days-proving-a-tough-challenge/
[12] **AAT response to HM Treasury consultation on aviation tax reform, 2021:**
https://www.aat.org.uk/prod/s3fs-public/assets/AAT-response-HM-Treasury-consultation-aviation-tax-reform.pdf
[13] **Carbon Brief, 2020:**
https://www.carbonbrief.org/analysis-fuel-duty-freeze-has-increased-uk-co2-emissions-by-up-to-5-per-cent
[14] **AAT response to Transport Select Committee inquiry into Road Pricing ND Zero Emissions, January 2021:**
https://www.aat.org.uk/prod/s3fs-public/assets/AAT-response-Transport-Select-Committee-zero-emissions-vehicles-road-pricing.pdf

Indirect taxes

5.58 Alcohol Duty Reform
AAT is a strong supporter of tax simplification, where doing so is fair and reasonable, and so it naturally supports the restructure of alcohol duty to reduce the number of main rates from 15 to 6. Ensuring that all beverages will be taxed in direct proportion to their alcohol content is also an admirable, common sense reform. Likewise, the introduction of a common small producer relief, to reduce the tax burden on smaller producers of alcoholic beverages below 8.5% ABV, makes sense and will certainly be welcome by the small business community in this sector.

5.60 Tobacco duties
This is not an area on which AAT would normally comment but although significant increases in tobacco duty are doubtless beneficial from a health perspective and may go some way to encouraging people to reduce, eliminate or refuse to commence smoking, there has long been a coherent argument that substantial increases in duty lead to increases in smuggling and counterfeiting which creates a wide range of harms for the British economy, not simply in terms of the hundreds of millions of pounds lost in revenue for the Exchequer, as detailed in the latest HMRC Tax Gap figures for 2019-20[15], but can help fund organised crime and terrorist financing too. It is worth noting that of the top ten counterfeit/pirate products investigated by Trading Standards in 2020/21, counterfeit tobacco and cigarettes were a resounding number one.[16] The same IP Crime and Enforcement Report also makes reference to the link between the supply of illicit tobacco and links with human trafficking and slavery offences[17]. It is imperative that increased tobacco duties take into account such considerations rather than focusing solely on revenue raising and health outcomes.

Other business taxes

5.66 UK funds regime review
AAT would certainly welcome options to simplify the VAT treatment of fund management fees and therefore awaits Government proposals in this area with interest. The only reason this is not given a green light is that AAT cannot be certain of what is likely to be proposed.

5.67 Bank corporation tax surcharge changes
The additional bank surcharge of 8% was warranted to reign in rapidly increasing bank profits after the financial crisis but AAT recognises that an 8% surcharge on top of an increase in Corporation Tax to 25% would make banks in the UK uncompetitive. This is particularly important in the post Brexit environment that has already seen well over one trillion pounds worth of assets relocated to other European capitals in the months leading up to Brexit[18]. Furthermore, the bank levy introduced in 2011 separately raises over £2bn annually in the form of a 0.1% charge on UK balance sheets. Whilst critics of the banking sector may be uncomfortable with a reduction in the surcharge, a reduction to 3% is a proportionate and understandable change to help ensure London remains a truly competitive financial centre whilst, as HM Treasury is right to highlight, simultaneously ensuring banks continue to pay a higher rate on profits than most other companies in the UK, and more than they do now.

5.68 Corporation tax: Response to accountancy change for insurance contracts
Allowing insurance companies to spread the transitional impact of IFRS (International Financial Reporting Standard) 17 for tax purposes is a sensible and proportionate measure.

Tax administration and non-compliance

5.70 Basis period reform

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[15] **HMRC Tax Gaps, 2021 edition:**
https://www.gov.uk/government/statistics/measuring-tax-gaps/measuring-tax-gaps-2021-edition-tax-gap-estimates-for-2019-to-2020#excise-including-alcohol-tobacco-and-oils
[16] **IP Crime & Enforcement Report 2020-21**
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1017790/ip-crime-2021.pdf
[17] **Ibid**
[18] **Bloomberg, September 2020:**
https://www.bloomberg.com/news/articles/2020-09-30/brexit-prompts-7-500-finance-jobs-1-6-trillion-to-leave-u-k

AAT backs the decision to reform income tax basis periods so businesses' profit or loss for a tax year will be the profit or loss arising in the tax year itself, regardless of its accounting date as this removes complexity.

5.71 Office of Tax Simplification (OTS): Board Governance
AAT responded to the HM Treasury Review of the OTS earlier this year and, amongst a number of recommendations, suggested that the Government increase the number of independent representatives on the OTS Board, specifically *"…for a communications professional to join its ranks given the need to effectively communicate its analysis, recommendations and results to broaden support for its activities, demonstrate its independence from government and minimise misrepresentation in the media and by policymakers as has occurred on a number of occasions, for instance with regard to the recent CGT report published in 2020.[19]"*

5.72 Making Tax Digital (MTD) for Income Tax Self-Assessment (ITSA)
The decision to provide sole traders and landlords, with income over £10,000, an extra year to prepare for MTD offers some much needed breathing space to 4m+ people (and for many of them, their accountants too). Likewise, the announcement that general partnerships will not be required to join MTD for ITSA until 6 April 2025 provides additional time for preparation. It is vitally important that this extra time is utilised by software providers to ensure their products are fit for purpose, for professional bodies in the tax, accountancy and landlord sectors to help prepare their members for the change and of course for HMRC to provide all parties with the necessary information to be able to do so.

5.74 Clamping down on promoters of tax avoidance
AAT has made various recommendations to government consultations on the subject of tax avoidance clamp downs, most recently in May 2021[20].

Although welcoming measures that deter offshore promoters by introducing a new penalty on the UK entities that support them, AAT does not believe these penalties go far enough. The "additional" penalty in reality does no more than reflect the amount of the total fees earned by all those involved in the development and sale of that tax avoidance scheme. A genuinely "additional" penalty would be a sum that is additional to all fees earned by those involved. AAT suggested an additional 25% penalty charge to act as serious deterrent to many of those involved in the facilitating of offshore promoters' activities but this was not accepted.

AAT does not believe that the disqualification of company directors for tax matters is currently being applied in a reasonable, coherent or fair manner and that this is an area that requires reform.

Finally, AAT believes that joint liability would act as a significant deterrent for promoters of tax avoidance schemes whilst simultaneously continuing to deter the public in many cases. This is an idea that some parts of HMRC have expressed a willingness to consider whilst others have ruled out such a change. AAT suggests this be considered across HMRC and recommendations for reform made.

November 2021

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[19] **AAT response to the HM Treasury Review of the OTS, June 2021:**
https://www.aat.org.uk/prod/s3fs-public/assets/AAT-response-HM-Treasury-review-office-tax-simplification.pdf
[20] **AAT response to HMRC consultation, Clamping down on the promoters of tax avoidance, May 2021:**
https://www.aat.org.uk/prod/s3fs-public/assets/AAT-response-HMRC-consultation-clamping-down-promoters-tax-avoidance.pdf