



HOUSE OF LORDS

Economic Affairs Committee

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The Rt Hon Mel Stride MP
Financial Secretary to the Treasury
HM Treasury
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16 January 2019

Thank you for your letter of 24 December. We are disappointed that we have not yet been able to discuss our report's conclusions with you in person. We are, however, looking forward to your written response to the report.

We welcome your commitment to review the loan charge, prompted by an amendment to the Finance Bill proposed by a cross-party group of MPs. We would like to request the following clarifications on the review:


- What are its terms of reference?
- Who will undertake the review?
- When will the review start?
- When will the review be published?

During our inquiry we received a large number of submissions from individuals affected by the loan charge. Some were published as written evidence to the inquiry, but many more contacted Committee members by correspondence and continue to do so. As we noted in our report, the circumstances in which these individuals entered disguised remuneration schemes were more nuanced than Government policy has so far assumed. The consequences for these individuals, as I am sure you are aware, have been grave.

The amendment to the Finance Bill that has prompted the review requires you to "review the effects" of the extension of offshore time limits in comparison with the time limits for the loan charge. We expect that in order to evaluate the impact of these time limits, you will need to collect evidence from those individuals affected. We therefore request details on how those individuals can give evidence to your review. I have also attached those individual accounts which we have permission to publish and which were used as written evidence to our inquiry.

We remain of the view that Treasury ministers should be required, when there are issues that cannot satisfactorily be answered by officials, to attend the Finance Bill Sub-Committee in the same manner as for the Economic Affairs Committee. No convention to the contrary has been agreed, either on establishment of the Sub-Committee or subsequently.

We will review the written responses closely and follow up where we consider that issues have been inadequately addressed.

A handwritten signature in black ink, appearing to read 'Yours', written in a cursive style.A handwritten signature in black ink, appearing to read 'Michael', written in a cursive style.

The Rt Hon the Lord Forsyth of Drumlean
Chairman of the Economic Affairs Committee