Rt Hon Mel Stride MP  
Financial Secretary to the Treasury and Paymaster General  
HM Treasury  
1 Horse Guards Road  
London, SW1A 2HQ

6 February 2019

Dear Mel,

Thank you for your prompt responses to the two reports of the Economic Affairs Finance Bill Sub-Committee.

We welcome your commitment to consider strengthening safeguards for taxpayers, including the Adjudicator’s Office and internal HMRC governance procedures. We look forward to seeing more publicity on the actions HMRC takes against the promoters of tax avoidance schemes, and we encourage them to start with promoters with disguised remuneration schemes. We are grateful for the publication of HMRC’s communication strategy for MTD for VAT, and commitment to write to the Committee every six months with a progress update on Making Tax Digital.

There are a number of areas that we feel have not yet been sufficiently addressed. While you note that HMRC and Treasury understand the depth of feeling on these issues, it isn’t clear from your response that this will result in any meaningful action. For example, we are unclear of your rationale for resisting greater legal safeguards to HMRC powers, and unconvinced that greater attention will be paid to this area when new powers are designed in future.

We were encouraged by HMRC’s commitment to the Treasury Committee on 30 January that no taxpayers would have to sell their houses to pay for the loan charge, and that those with income under £30,000 would have at least seven years to pay. However, the firm rejection of other recommendations leaves us with little reassurance that taxpayers will be treated fairly and with understanding in administration of the charge.

We remain of the view that proper parliamentary scrutiny of these issues requires ministerial input. We would like to invite you to attend the Committee to discuss the responses on 26 February, so that we might understand your position in more detail.
Your -

Michael

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