



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon, the Lord Forsyth of Drumlean
Chairman of the Economic Affairs Committee
House of Lords
London
SW1A 0PW

19th February 2019

Grant Michael

Thank you for your letter of 6 February. I was pleased to read that you and the Sub-Committee were encouraged and reassured by the government's response to the Sub-Committee's reports. We considered your recommendations in detail and, as I noted in my last letter, have accepted the majority of them either wholly or in part.

In your letter, you noted that you were still unconvinced that taxpayers would be treated fairly and with understanding in the administration of the charge on disguised remuneration loans. I can reassure you that they will be. HMRC is working hard to help those who have used disguised remuneration schemes to settle their tax affairs, and has put special arrangements in place to help people to pay the tax they owe over an extended period when that is necessary. In line with section 95 of Finance Act 2019 we will lay a report in Parliament by 30 March, which will include a comparison of changes made in the Finance Bill to the offshore tax avoidance regime with the time limits for the recovery of lost tax relating to disguised remuneration loans. The Chancellor and I have already met with Sir Edward Davey and a wider group of parliamentary stakeholders to discuss the report, and will consider the relevant evidence available as part of the review.

Finally, I was disappointed to read that it remains your view that insufficient ministerial input has been given on the issues you and the Sub-Committee have

raised. As I have said before, I do not agree with this point of view. On 22 January, I personally wrote to you in response to the Sub-Committee's reports, setting out my views as a minister. I believe that this, alongside the substantial written and oral evidence given to the committee by my officials, should suffice. I will therefore not be attending the Committee to give further evidence on this matter.

A handwritten signature in blue ink, consisting of two parts: the first part is a stylized 'gm' and the second part is 'mel'.

RT HON MEL STRIDE MP