



The Association of  
Accounting Technicians

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4 December 2015

By email to:  
[tap@hmrc.gsi.gov.uk](mailto:tap@hmrc.gsi.gov.uk)

Dear Ms Allistone

### **Draft legislation: The Enactment of Extra-Statutory Concessions Order 2016**

The Association of Accounting Technicians (AAT) welcomes the opportunity to comment on the draft amendments to VATA 1994 which are intended to make statutory provision for what is currently provided for by Extra-Statutory Concession (ESC) 3.20 (Bad debt relief and insolvent businesses: revocation of clawback).

In principle AAT supports the proposal to make statutory provision for what is currently provided for by ESC 3.20, but has the following observations.

AAT notes that the draft legislation includes individual letters of the alphabet, from a to m, in bold and in brackets in random places throughout the draft legislation. It is anticipated that inconsistency will be addressed at the time of producing the final draft.

AAT notes that certain words and terms are included in ESC 3.20 but are not included in the draft legislation, for example:

- “liquidation” occurs several times in ESC 3.20 but does not appear in the draft legislation.
- “administrative receivership” appears in ESC 3.20 but does not appear in the draft legislation.
- “administrative order” appears in ESC 3.20 but does not appear in the draft legislation.
- “individual voluntary arrangement” appears in ESC 3.20 but does not appear in the draft legislation.
- “company voluntary arrangement” appears in ESC 3.20 but does not appear in the draft legislation.

If the words and terms set out in the draft legislation have the same effect as those in ESC 3.20 the draft legislation, if implemented, may make statutory provision for what is currently provided for by concession in ESC 3.20.

It should be noted that AAT cannot, however, confirm that the current draft legislation is sufficiently clear in defining when an insolvency procedure has effect and whether the draft legislation fully captures the range of procedures that may be affected.

## About AAT

AAT is a professional accountancy body with over 49,500 full and fellow members and 82,400 student and affiliate members worldwide. Of the full and fellow members, there are 4,200 Members in Practice who provide accountancy and taxation services to individuals, not-for-profit organisations and the full range of business types<sup>1</sup>.

AAT is a registered charity whose objectives are to advance public education and promote the study of the practice, theory and techniques of accountancy and the prevention of crime and promotion of the sound administration of the law.

## Further engagement

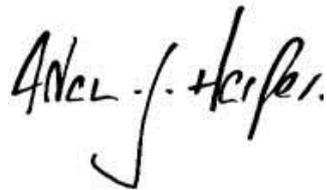
If you have any questions or would like to discuss any of the points in more detail then please contact the AAT at:

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Yours sincerely



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<sup>1</sup> Figures correct as at 30 September 2015

