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The Association of
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Dear Sir

AAT RESPONSE TO DRAFT LEGISLATION: PROMOTERS OF TAX AVOIDANCE SCHEME – PRESCRIBED INFORMATION REGULATIONS 2015

AAT has previously responded to the following HMRC consultation documents:

- “Raising the Stakes on Tax Avoidance” (closed on 24 Feb 2014)
- “Tackling Marketed Tax Avoidance” (closed on 24 Feb 2014)
- “Strengthening the Tax Avoidance Disclosure Regimes” (closed on 23 Oct 2014)¹

We welcome the opportunity to respond to this technical consultation (condoc) in respect of “Draft legislation: Promoters of tax Avoidance Scheme – Prescribed Information Regulations 2015” which seeks to make administrative provisions which:

- 1) require the reporting of the Promoter Reference Numbers (Regulation 5(1))
- 2) providing addresses to send the Promoter Reference Number Reports (Regulation 5(2)).

To have legal effect, any statutory regulations must cover the intended rules, but promoters of tax avoidance schemes may be expected to look for a loophole to avoid compliance which makes precision in drafting all the more important. Therefore, it may be useful to issue a copy of the Regulations with the required forms.

It should be noted that, while in general, the comments made by AAT within this letter relate to the operational aspects of the draft legislation, rather than the fine detail of the wording, AAT has commented on the comprehensive outline of the relevant sections of Part 5 of the Act (below), including the interpretive provisions and the precision of Regulation 3 with regard to the form and manner of disclosing the information. Although legislated for under s.234 of the Finance Act 2014 (FA 2014), AAT would recommend including the definitions of ‘tax advantage’ and ‘relevant arrangements’.

¹ [AAT Public Policy](#) webpage

The contents of Regulation 2 now enshrined in law s.249 (FA2014), were a key feature in AAT's recommendations in response to the "Raising the Stakes on tax avoidance" consultation in respect of monitored promoters' publications and correspondence.

Comment on Report of promoter reference numbers - Regulation 5(1)

AAT is of the view that it would be helpful to quote the title of the Regulations in the form in addition to 'Regulation 5(1)'.

The form is required if the person "expects to get a tax advantage from one of the promoter's tax avoidance schemes". AAT would recommend, for clarity, the definition of 'tax advantage' (as legislated in s.234 of the FA 2014) be set out in the form.

Promoter reference number reports - Regulation 5(2)

AAT considers that it would, also, be helpful to HMRC and the monitored promoter to quote the title of the Regulations on the form in addition to 'Regulation 5(2)'

Conclusion

In principle, AAT supports all attempts to promote anti-avoidance and fairness within the UK tax system. The recommendations made of including the definitions of 'tax advantage' and 'relevant arrangements', and the suggestion of quoting the title of the Regulations on the form in addition to 'Regulation 5(2)', are to assist in the operational aspects of these proposals.

About the AAT

AAT is a professional accountancy body with over 49,800 full and fellow members and 83,700 student and affiliate members worldwide. Of the full and fellow members, there are 4,100 Members in Practice who provide accountancy and taxation services to individuals, not-for-profit organisations and the full range of business types. (Figures correct as at 31 December 2014)

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

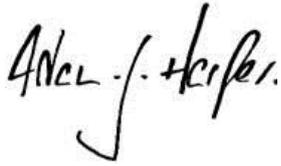
If you have any questions or would like to discuss any of the points in more detail then please contact the AAT at:

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Yours sincerely

A handwritten signature in black ink that reads "Adam Harper". The signature is written in a cursive style with a large initial 'A' and a stylized 'H'.

Adam Harper
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