



HM Revenue & Customs

Mr Martin James

By email:

request-480138-b83ebaa4@whatdotheyknow.com

Freedom of Information Team

S1715

6 Floor

Central Mail Unit

Newcastle Upon Tyne

NE98 1ZZ

Email foi.request@hmrc.gsi.gov.uk

Web www.gov.uk

Date: 10 May 2018
Our ref: FOI2018/00884

Dear Mr James

Freedom of Information Act 2000 (FOIA)

Thank you for your request, which was received on 24 April, for the following information:

“My request concerns the 2019 disguised remuneration loan charge.

- 1) Was it HMRC or the Government who originally came up with the idea of a loan charge?
- 2) When was the idea first broached?
- 3) When did the Government and HMRC agree to introduce loan charge legislation?
- 4) When did HMRC first start working on the legislation?

For (2) to (4), month and year will suffice.”

The answers to your questions are as follows:

- 1) HMRC developed the loan charge in response to the government’s priority to tackle tax avoidance, including the use of disguised remuneration (DR) schemes.
- 2) HMRC proposed the loan charge in advice to Treasury ministers in September 2015.
- 3) The government decided in October 2015 to announce at the Autumn Statement in November 2015 that it intended to take action against those who have used or continue to use DR schemes. At Budget 2016 the government confirmed that it would take action, beginning with legislation in Finance Bill 2016.
- 4) HMRC began instructing the Office of Parliamentary Counsel to prepare legislation in October 2015.

If you are not satisfied with this reply you may request a review within two months by emailing foi.review@hmrc.gsi.gov.uk, or by writing to the address at the top right-hand side of this letter.

If you are not content with the outcome of an internal review, you can complain to the Information Commissioner’s Office. You can do this by accessing the following link:

<https://ico.org.uk/concerns/>

Yours sincerely,

Income Tax Policy