



HM Revenue & Customs

Mr Chris Sawyer

By email: request-490120-
d67767aa@whatdotheyknow.com

Individuals Policy Directorate
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: 28 June 2018
Our ref: FOI2018/01190

Dear Mr Sawyer

Freedom of Information Act 2000 (FOIA)

Thank you for your request, which was received on 8 June, for the following information:

"In HMRC's response to the FOI request here:

https://www.whatdotheyknow.com/request/2019_loan_charge#incoming-1156445

they are quoted saying

"HMRC proposed the loan charge in advice to Treasury ministers in September 2015"

- 1) Please provide me with a copy of the document which proposed the loan change to Treasury ministers in September 2015.
- 2) Please tell me which HMRC department worked on creating the proposals put to the Treasury ministers in September 2015.
- 3) Please tell me how much was spent on those proposals before the creation of legislation was started."

I can confirm that HMRC hold some of the information you have requested. Some of the information is exempt from disclosure under s35(1)(a) of FOIA.

Question 1

The information you have requested is exempt from disclosure under s35(1)(a) because the information relates to the formulation of government policy. The requested documents provided evidence and advice from which the government formulated and developed its policy response to disguised remuneration (DR) schemes. The loan charge does not arise until April 2019 and the government is currently considering implementation and enforcement..

In line with the terms of this exemption in the FOI, we have also considered whether it would be in the public interest for us to provide you with the information. In this case, we have concluded that the public interest favours withholding the information.

When assessing whether or not it was in the public interest to disclose the information to you, we took into account the following factors.

Information is available in large print, audio and Braille formats.
Text Relay service prefix number – 18001



There is an inherent public interest in transparency and accountability of public authorities. We also recognise the broad public interest in furthering public understanding of the issues which public authorities deal with, such as the analysis you have requested.

However, there is a public interest in protecting the government's ability to consider and develop policies and to reach well-formed conclusions. The Information Commissioner has recognised that policy development needs a degree of freedom to enable the process to work effectively and we consider that there is a strong public interest in protecting information where its release would be likely to have a detrimental impact on the ongoing development of the policy.

There is also a public interest in preserving a 'safe space' to debate live policy issues away from external interference and distraction is highest during the formulation and development stages. Disclosure at this time may cause unhelpful debate based on an incomplete picture of the policy and the relevant statistics. That in turn may distract officials from developing the policies effectively and may close off better options from being considered.

There is a strong public interest in protecting against encroachment on the ability of ministers and officials to develop policy options freely and frankly. In this case, the government is currently considering how best to implement and enforce the loan charge.

We reached the view that, on balance, the public interest is better served by withholding this information under Section 35 (1) (a) of the Act at this time.

Question 2

Personal Tax Customer Product and Process worked on creating the proposals put to the Treasury ministers in September 2015.

Question 3

I can confirm that HMRC does not hold this information because there is not a business need to record and hold this information.

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. The following link explains how to do this: <https://ico.org.uk/concerns/>

Yours sincerely,

Individuals Policy Directorate