



**HM Revenue
& Customs**

Mr Areen Sea

By email: request-492593-
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Date: 23 July 2018
Our ref: FOI2018/01298

Dear Mr Sea

Freedom of Information Act 2000 (FOIA)

Thank you for your request, which was received on 22 June, for the following information:

"I am writing to request information under the Freedom of Information Act 2000. I would be interested in any information held by your organisation regarding my request. I understand that I do not have to specify particular files or documents and it is the departments responsibility to provide the information I require. If you need further clarification please contact me via this website. I would like to request the following information:

MP Mel Stride has recently made the following claims

"HMRC is proactively reporting DR scheme promoters to the Advertising Standards Authority and professional bodies where they make misleading claims about their products and services or provide misleading advice.

HMRC will also consider criminal investigation where appropriate. Promoters of tax avoidance schemes have been prosecuted, leading to convictions and jail terms."

With these comments in mind can HMRC please provide me with the following information:

Since the Finance Act gained Royal Assent in November 2017:

- 1) How many DR scheme promoters has HMRC reported to the Advertising Standards Authority for making misleading claims about their products and services or providing misleading advice.
- 2) What other professional bodies have HMRC reported DR scheme promoters to; and how many DR scheme promoters have HMRC reported to each individual body.
- 3) How many DR scheme promoters has HMRC prosecuted, leading to convictions and/or jail terms; please specify numbers for each individually.

If my request is denied in whole or in part I ask that you justify all deletions by reference to specific exemptions of the act. I will also expect you to release all non-exempt material. I reserve the right to appeal your decision to withhold any information or to charge excessive



fees. I would be grateful if you could confirm in writing that you have received this request. I look forward to your response within 20 working days as outlined by the statute. Many thanks for your assistance with this request.”

Question 1

I can confirm HMRC holds information that falls within the scope of your request. In relation to DR schemes, HMRC has reported one scheme promoter to Advertising Standards Authority since November 2017.

Misleading Advertisement - Advertising Standards Authority ruling (Spotlight 42)
<https://www.gov.uk/guidance/contractor-loan-schemes-misleading-advertising-spotlight-42>

Questions 2

HMRC have not yet reported DR scheme promoters to any other professional bodies since the November 2017.

Question 3

In response to your third question, this information if held, would be withheld under section 31(1)(d) of the FOIA because disclosure of the information would be likely to prejudice the assessment and collection of tax.

Section 31(1)(d) allows public authorities to withhold information if its disclosure would or would be likely to prejudice the assessment or collection of any tax or duty or of any imposition of a similar nature.

Given the real risk of harm in disclosure, section 31 is engaged. Section 31 is a qualified exemption and I am therefore required to consider the public interest.

Factors in favour of providing the information to you include our duty to be open and accountable for our use of public monies, both in terms of the extent and the appropriateness of our expenditure.

Factors against making this information public include the prejudice to law enforcement mentioned above, thus undermining HMRC's activities in securing public finances. Providing this information could reveal our profiling and risk processes and therefore prejudice the assessment or collection of tax. As the UK's tax, payments and customs authority, HMRC needs to secure the revenue to the Exchequer to help pay for essential public services.

On balance I conclude it is not in the public interest to set aside the exemption in this case.

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,

Freedom of Information Team