



HM Revenue & Customs

Ms Anja Koehler

By email: request-501899-a4c4bfc0@whatdotheyknow.com

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Date: 15 August 2018
Our ref: FOI2018/01620

Dear Ms Koehler

Freedom of Information Act 2000 (FOIA)

Thank you for your request, which was received on 27 July, for the following information:

“How many people without open enquiries have been sent letters notifying them of the settlement offer known as CLSO2”

I have assumed you are referring to the disguised remuneration (DR) ‘settlement terms’ published on 7 November 2017 at: www.gov.uk/government/publications/disguised-remuneration-detailed-settlement-terms/disguised-remuneration-detailed-settlement-terms which some are referring to as CLSO2. This is not a Contactor Loans ‘settlement opportunity’, the settlement terms apply across Disguised Remuneration scheme users. If this was not your intention please let me know.

I can confirm HMRC holds information that falls within the scope of your request. However, we estimate that it would exceed the FOIA cost limit to deal with it. The cost limit, which is specified in regulations, equates to one person spending 3½ working days locating and extracting all of the information within scope of the request.

Normally, HMRC would explore with you how you might be able to narrow or refine your request so that it did not exceed the FOIA cost limit. However, in this case, I cannot see any scope for doing this.

HMRC published detailed settlement terms on 7 November 2017 as part of a campaign to encourage taxpayers to come forward and settle their tax affairs ahead of the loan charge introduction.

We have raised awareness in our day to day work through correspondence, phone calls and emails. To provide the number of taxpayers specifically notified by letter who do not have an open enquiry would mean searching records across a number of HMRC systems and business streams. We would then have to review each record identified to determine who was sent a letter referencing the loan charge and whether or not there is an open enquiry.

I have established that the time necessary to complete this task would exceed the cost limit by some way. Consequently, under section 12(1) of the FOIA, HMRC is not obliged to comply with your request and we will not be processing it further.

To be helpful, and outside of the Act, you might like to be aware that those affected by the new disguised remuneration (DR) loan charge can prevent the loan charge from arising by repaying the loan or agreeing a settlement with HMRC before 5 April 2019.

We want to help people settle their tax position ahead of the loan charge and have provided a number of opportunities, including the publication of settlement terms on 7 November 2017, for DR scheme users to settle their tax affairs.

As previously mentioned we are actively encouraging DR scheme users to come forward and settle through our day to day contact with customers. We have issued over 23,000 loan charge awareness letters to those who may be impacted by the loan charge. We will continue to write to those who might be impacted as they are identified.

You also might like to be aware that we have raised additional awareness through our series of tax avoidance 'Spotlight' publications, tweets and webinars. We have worked with a range of stakeholders to generate broader awareness which has been picked up in wider media activity.

On 18 July 2018 a 'HMRC issue briefing: disguised remuneration charge on loans' was published on GOV.UK. This provides additional information about the loan charge, links to the settlement terms and relevant Spotlights along with helpful information for those who may have difficulty paying what they owe. This can be found at:

www.gov.uk/government/publications/hmrc-issue-briefing-disguised-remuneration-charge-on-loans/hmrc-issue-briefing-disguised-remuneration-charge-on-loans

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 make a complaint to the Information Commissioner's Office (ICO). Instructions about this process are available at the following link: <https://ico.org.uk/concerns/>

Yours sincerely,

Freedom of Information Team