



HM Revenue  
& Customs

Ms Julia Cope

By email:

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Date: 12 December 2019

Our ref: FOI2019/02449

Dear Ms Cope

**Freedom of Information Act 2000 (FOIA)**

Thank you for your request, which was received on 13 November, for the following information:

"An extract from the PAC session on 21/10/2019:-

"Sir Geoffrey Clifton-Brown: May I clarify a question I asked in a previous session on this? Are all the early years still collectable?

Jim Harra: In relation to the settlements year on year, there may be some cases where some years would normally be out of time for us to assess, because we might not have opened an inquiry or made an assessment in time. However, that does not affect the operation of the loan charge, which is a charge on the outstanding balances on loans at 5 April."

In the context of Jim Harra's answer above, can you detail the number of cases where the loan charge captures a payment made to a taxpayer but HMRC are out of time to assess that payment through other means?"

We do not hold complete data to answer your request. The loan charge applies to outstanding disguised remuneration (DR) loan balances on 5 April 2019 and users, who have not settled their DR scheme use, should report outstanding DR loan balances on their Self Assessment (SA) tax returns by 31 January 2020.

Once all SA returns have been received, it is likely that an attempt to collate and review them to identify those relating to the loan charge and out of time for enquiry would exceed the FOIA cost limit. For central government this limit equates to one person spending 3½ working days locating and extracting all of the information requested. We have therefore refused your request under [section 12\(1\)](#) of the FOIA.

Although we are unable to answer your request, we can advise that we are committed not to apply the loan charge to a tax year where an enquiry was closed on the basis of fully disclosed information. Further information is published in the [Government response](#) to the conclusions and recommendations of the Treasury Sub-Committee report on 'Disputing Tax' (recommendation 4).

If you are not satisfied with this reply you may request a review within two months by emailing [foi.review@hmrc.gov.uk](mailto:foi.review@hmrc.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](#).

Yours sincerely,

Freedom of Information Team