



HM Revenue
& Customs

Mr James Lancaster

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Our ref: FOI2019/01945

Dear Mr Lancaster

Freedom of Information Act 2000 (FOIA)

Thank you for your request, which was received on 30 August, for the following information:

“As at March 2019 you advised the estimated DR population was 50,000 (75% individual, 25% employer).

Please advise:

- 1) The average, median and maximum days from individual/employer requesting settlement terms to HMRC issuing settlement offer?
- 2) The average, median and maximum days from issuing a settlement offer to acceptance?
- 3) The current number of FTE or equivalent working on settlement activities?
- 4) The accuracy rate of settlement offers (or how many settlement offers were accepted without further query or challenge)?
- 5) The current number of individuals/employers yet to settle?

Ideally the above figures are split between individuals and employers.”

We can confirm we hold information within scope of your request. However, we estimate that it would exceed the FOIA cost limit to provide it. The cost limit for central government equates to one person spending 3½ working days locating and extracting all of the information within scope of the request. Consequently, under section 12(1) of the FOIA, we are not obliged to comply with your request and we will not be processing it further.

Normally we 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, we cannot see any scope for doing this.

More than 28,000 DR scheme users expressed an interest in settling their tax affairs, with over 19,000 returning their settlement packs and providing the relevant information by 5 April 2019, under the published settlement terms. However, in order to provide the information you have requested, we would need to review each of the 19,000 cases comprising both electronic and, in some cases, paper records. We would need to do this to establish the average, median and maximum days for the periods from users expressing an interest in settling to HMRC issuing the settlement calculations and to users subsequently accepting the calculations.

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



We would then need to check whether the calculations were accepted without further query or challenge. We have established that this task would exceed the FOIA cost limit.

The charge on disguised remuneration (DR) loans is expected to affect 50,000 individuals, which includes 10,000 self-employed individuals. Between Budget 2016 and 31 March 2019, around 7,000 settlements were agreed, bringing in over £1.5 billion for the Exchequer.

On 26 March 2019 HM Treasury (HMT) published "Report on time limits and the disguised remuneration loan charge". This report, including settlement information, is available at: www.gov.uk/government/publications/report-on-time-limits-and-the-disguised-remuneration-loan-charge. We plan to publish an update of settlement data after the outcome of the independent Review of the DR loan charge (see further information below). I can advise that we currently have around 700 FTE or equivalent allocated to settlement activities.

You might be interested to know that following the Prime Minister's announcement on 4 September 2019, the Chancellor of the Exchequer, Sajid Javid, has commissioned an independent Review of the DR loan charge led by Sir Amyas Morse, former Chief Executive and Comptroller and Auditor General of the National Audit Office.

The Review will conclude by mid-November, report and provide independent recommendations to the government. The government will consider the outcome of the Review and set out next steps to give taxpayers certainty in advance of the January Self Assessment filing deadline.

While the Review is ongoing, the loan charge remains in force, in line with current legislation. DR users who provided the information needed to settle their use of DR schemes by 5 April 2019 and are in the process of settling their DR use can continue to finalise their settlements with us if they wish to do so.

We recognise that some may want to wait for the government's response to the Review before finalising their settlements, so we have announced that they can pause and wait for the government's response to the Review before finalising their settlement with us.

We also recognise customers may be unclear what they should do whilst the Review is underway. To help those affected, we have published guidance on GOV.UK which is available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/830989/loan_charge_review_web.pdf.

We will update our guidance, setting out details of the next steps for users shortly after the outcome of the Review.

If you are not satisfied with this reply you may request a review within two months by emailing 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