



HM Revenue  
& Customs

Mr Philip Harris  
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Date: 17 May 2019  
Our ref: FOI2019/00966

Dear Mr Harris

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

Thank you for your request, which was received on 18 April, for the following information:

"It has been repeatedly stated by HMRC and Ministers that HMRC will not make anyone bankrupt over the Loan Charge  
I am concerned this is disingenuous

Can you confirm that this promise will be maintained even if the 'debt' is transferred to a third party or debt collector?

If you cannot confirm this, please tell me how many of the 50,000 people said to be affected by the Loan Charge are likely to be made bankrupt?

If you do not have the information, can you point me at the relevant impact analysis undertaken at the instigation of the Loan Charge in 2016?"

Following a review of our records, I have established that HMRC does not hold the information you requested. HMRC has not stated that it will not make someone bankrupt in relation to the charge on disguised remuneration (DR) loans. However, I can say, that HMRC does not want to make anybody bankrupt, pursuing such action is very much a last resort and very few cases ever reach that stage. With regard to the charge on DR loans, bankruptcy may be necessary in a small number of cases, for example, where people are actively attempting to escape payment of the charge on DR loans.

As a whole, HMRC does not sell debt and where it works with private sector partners on collections, they are not able to make any decisions relating to bankruptcy.

HMRC recognises that the charge on DR loans will have a significant impact on some customers who have used DR schemes. We are determined to make it as straightforward as possible for customers to pay what they owe and get out of avoidance.

HMRC has said that it will not force anyone to sell their main residence to settle their DR debt or the charge on DR loans.

Anybody who is worried about being able to pay what they owe should get in touch with us as soon as possible.

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



The impact of the charge on DR loans on individuals was considered at Budget 2016, when the measure was first announced. HMRC consulted on the measure in August 2016. The latest tax information and impact note (TIIN) can be found at:

<https://www.gov.uk/government/publications/disguised-remuneration-further-update/disguised-remuneration-further-update>

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

Yours sincerely,

Freedom of Information Team