Dear members of the committee,

I am writing to you to bring to your attention a fact that the actions and inactions of HMRC are having serious and very damaging effect on the lives of people who are directly and indirectly involved in disguised remuneration schemes.

Although you might think you are solely focusing on getting tax law in order for benefit of the citizens of this country, you may not realise that at the same time you are systematically working on diminishing life for some/many of the same citizens.

Whereas I agree that choices should have consequence and people need to be responsible for their actions I also think that the price to pay should be appropriate and HMRC taking people on a five year journey of uncertainty is certainly not proportionate.

While I appreciate the complicated matter of the issue and volume of cases HMRC is dealing with in relation to disguised remuneration schemes, I don't think it justifies the lack of communication with people being investigated, lack of timelines, lack of human understanding of the consequence to individuals.

Imagine for a minute you are an individual who has been working hard all their life to better themselves, earn enough to be able to afford a house and provide for their family. Now imagine the same individual submitting their tax returns every year and being clear and transparent about their tax arrangements – tax arrangements that have been advised as legal and approved by a Queens Counsel. Suddenly years later, all this certainty becomes very much uncertain with HMRC’s interpretation of the law. Imagine you are now a person who is told they need to pay tax they did not know they had owed. Imagine your life changing from independent and steady to being unknown and financially unstable. To make things more worse, you are also now told you need to pay more money due to a retrospective law. From one day to another you will change your status from law abiding citizen to a citizen who effectively should have respected law seven years ago when they were not in existence.

It is hard to imagine being in this situation yet many people are. It would not be unreasonable to expect that in country like Great Britain an individual can approach HMRC to try to settle their case on terms that are reasonable and move on with their lives or to be able to obtain information or speak to someone about their financial position. Unfortunately this is not the case with HMRC. HMRC is not prepared to speak to individuals, provide them with any information on the state of their investigation or try to resolve the matter in anyway. On the contrary they try to prolong the matter for their own benefit/benefit of British people!

If HMRC’s aim is to pursue their tax collection targets for the benefit of the hard working people then that is maybe what they do but they are also destroying the lives of thousands of other people on the way. Clearly for HMRC this is the price that is worth paying.

Recommendation

My recommendation is that disguised remuneration should not be taxed retrospectively.