



Minutes of the QCA Tax Committee Meeting

held on Tuesday 12 April 2011 at 9:00am
at McGrigors LLP, 5 Old Bailey, London EC4M 7BA
(with Vanessa Woodward and Ian Valentine, HMRC, in attendance)

Present:	Vijay Thakrar	Deloitte LLP	(VT)
	Jason Collins	McGrigors	(JC)
	Tim Crosley	Memery Crystal LLP	(TC)
	Paul Fay	Crowe Clark Whitehill LLP	(PF)
	Kate Jalbert	QCA	(KJ)
	Neil Pamplin	Grant Thornton	(NP)
In Attendance:	Christopher Connor	Charles Russell	(CC)
	Vanessa Woodward	HMRC	(VW)
	Ian Valentine	HMRC	(IV)

ACTIONS

1. Welcome to Vanessa Woodward and Ian Valentine, HMRC

VT welcomed VW and IV to the meeting and everyone introduced themselves.

VW thanked the committee for having her and hopes to continue the relationship with the QCA. She noted that HMRC is committed to trust and transparency and its customer relationship manager programme.

There is a focus on skills and they are looking to up-skilling staff in large business. In the next 12 months, they are focusing on technical skills, such as VAT and employee compliance.

IV noted that HMRC is looking on using some of the ring-fenced funds and external investment on improving the state of legislation and guidance and the approach to small business taxpayers. The idea would be to try to simplify the tax legislation. IV explained that they are looking to consult more with advisers and other industry professionals because it is in everyone's interest to try to make the best legislation possible.

VT noted that it is correct to have a focus on anti-avoidance making sure the legislation is tightly drawn. Businesses want certainty and simplicity the most in a tax system and the UK system has been criticised as not having this. VT pointed out the example of the debt cap, which a mid-size business would still have to spend time making calculations on. PF noted that this highlights the problem that what seem to be targeted measures actually can capture mid-sized businesses by having them to carry out calculations, which are not used or submitted to HMRC. Other examples of this include the transfer pricing. As a result, the smaller businesses compliance levels are higher than they need to be.

JC noted that it would be useful to have one place where the penalties regime is explained, rather than have it in multiple places. IV noted that they will take it back and look at the possibility of producing a guide on it that explains the whole penalty regime.

VW stated that one of the issues in the consultation process is that smaller businesses' viewpoints are often not heard, which was the case with the senior accounting officer consultation process. VT noted that the QCA is more than happy to set up a meeting or forum for HMRC to meet with small and mid-cap quoted companies, which the QCA did prior to the Budget with David Gauke MP. VW and IV stated that this would be very helpful. IV noted that there would be some consultations coming up over the summer and so that may be a good time to start this process. PF also explained that sometimes if the matter is quite technical it may be useful to consult a small group of advisers from this group, for example, to get input from a smaller business perspective.

VT noted that it would also be useful to have some guidance on the responsibilities of the CRM and expectations of both the CRM and the large business. VW explained that HMRC has published some guidance on this on their website, but it is very difficult to find. HMRC is in the process of working out how to make this information more visible online. VT noted that if VW found the link to the guidance, then the QCA would be happy to circulate this to its members, as this would be helpful for them. KJ to follow up. **KJ**

IV noted in terms of dispute resolution HMRC has a framework and strategy that codifies practice. JC noted that it can be helpful to bring different people in to coordinate the dispute resolution process throughout it because they do not have a particular attachment to a viewpoint – they may be able to help move the conversation on.

VT noted that an update to the litigation strategy would be helpful, since it has moved on since it was first put in place. IV noted that this is being explored in terms of refreshing the strategy document/guidance.

VT thanked VW and IV for attending the meeting and noted that the committee will be in contact regarding setting up further discussion on upcoming consultations and issues, such as transfer pricing, worldwide debt cap, EIS/VCTs and dispute resolution, and also a forum with some of the QCA corporate members. VW and IV left the meeting.

VT asked committee members if they thought it would be useful to set up a forum with HMRC and QCA corporate members. Committee members said they agreed. KJ will work on setting this up. **KJ**

VT asked committee members if they thought setting up meetings on specific issues was a good idea. PF noted that this was a good idea. PF will pull together a document setting out issues and areas to discuss, such as worldwide debt cap and transfer pricing, and circulate it to the committee. **PF**

TC noted that it would be useful to send them a summary of the points discussed at the meeting this morning and highlighting the follow up actions. KJ will coordinate this. TC also queried whether the summary document of the discussion with David Gauke MP was circulated to the committee. KJ was unsure, but will ensure that it is circulated. **KJ**

2. Apologies:

Apologies were received from Paul Barnes, Chris Bond, David Boyd, Nick Burt, Natasha Kaye, Michael Risdale and Tim Ward.

3. Minutes of last meeting (17 January 2011)

The minutes were approved.

4. Review of the Budget Statement (23 March 2011)

This was discussed above.

5. Consultation Papers

- **European Commission: Taxation and Customs Union Consultation Paper – Financial Sector Taxation (RD: 19 April 2011):**

VT and JC agreed to help draft a response to this paper. KJ will follow up. **VT/JC/KJ**

6. Communications and Future Meetings

- **Articles for tax publications**

KJ noted that she will follow up with SB about this as soon as possible. **KJ**

- **Invitations for future meetings**

Committee members suggested inviting Charlie Elphicke MP to the next committee meeting.

Chris Stapeley/KJ

- **Venue for 22 September 2011 meeting**

Committee members agreed that there should be a meeting in June/July. VT suggested connecting it to a discussion lunch with Ian Valentine and Keith Cartwright, HMRC, and corporates. KJ noted that she will liaise with Chris Stapeley about setting this up.

Chris Stapeley/KJ

7. Next meeting

11:30am Thursday 7 July 2011 (Venue: Deloitte, 2 New Street Square, London)

9:00am Thursday 22 September 2011 (Venue: TBA)

8. Action Points

Follow up on CRM guidance and circulate to QCA members	KJ	ASAP
Set up a discussion lunch for QCA corporate members with Ian Valentine and Keith Cartwright on upcoming HMRC consultations	KJ/Chris Stapeley	ASAP (for June/July proposed meeting)
Draft a document that sets out specific issues to take up with HMRC, e.g. debt cap and transfer pricing	PF	ASAP (for June/July meeting)
Circulate the discussion note on the David Gauke MP lunch	KJ/Chris Stapeley	ASAP
Draft response to European Commission taxation consultation	VT/KJ/JC	ASAP (before 19 April 2011)
Follow up with SB about articles for tax publications	KJ	ASAP