Consultation on HMRC Charter

General Features

29 April 2020

HMRC propose to update their Charter. Public consultation closes on 15 May. HMRC are inviting comment not simply on a proposed wording but more fundamentally on the standards which it enshrines, the areas on which it focuses and how HMRC could measure their performance against the Charter.

There is a statutory requirement for the Charter to be reviewed. This is set out in FA 2009 s 92, which amends the Commissioners for Revenue and Customs Act 2005, and reads:

1. The Commissioners must prepare a Charter.
2. The Charter must include standards of behaviour and values to which Her Majesty's Revenue and Customs will aspire when dealing with people in the exercise of their functions.
3. The Commissioners must:
a. regularly review the Charter; and
b. publish revisions, or revised versions, of it when they consider it appropriate to do so.
4. The Commissioners must, at least once every year, make a report reviewing the extent to which Her Majesty's Revenue and Customs have demonstrated the standards of behaviour and values included in the Charter.'

The last review of the Charter did not involve public consultation and was completed in 2015.

The need for revision was highlighted in reports of both the House of Lords Economic Affairs Committee ('The powers of HMRC: treating taxpayers fairly', December 2018, see https://tinyurl.com/sfvooqa; and the Independent Loan Charge Review, December 2019, see https://tinyurl.com/uj87kl5). They focused respectively on HMRC's particular responsibilities to the unrepresented and the need to set higher

expectations of performance and ensure staff training to meet those expectations.

The consultation provides an opportunity to comment on two main aspects: first, the proposed draft wording of the revised Charter; and secondly, on measuring HMRC's performance against the Charter.

The wording of the charter

The current Charter (https://tinyurl.com/jxnlnye) sets out separately what you can expect from HMRC, and what HMRC expects from you. It makes seven important statements on each, such as that HMRC will 'respect you and treat you as honest', 'be professional and act with integrity and 'accept that someone else can represent you'; and that you will 'keep accurate records and protect your information' and 'take reasonable care to avoid mistakes'. Each of these statements is accompanied by a short explanation.

The revised Charter takes a different approach. It does not set out a series of respective rights and obligations, but a combined set of 'values' such as 'getting things right' and 'being responsive'. Again, each of these values is accompanied by a short explanation.

A direct comparison between the two versions is, therefore, difficult. Some of the more direct wording in the current Charter is more subtly stated in the revised wording (for example, 'accept that someone else can represent you' has become 'we will … work with anyone you've asked to act for you').
Particular aspects suggested in the consultation include whether the new wording sets the right standards for HMRC's service and whether it identifies the areas of greatest importance in relation to HMRC's interactions with the public.

Measuring HMRC's performance against the Charter

Perhaps more important than the wording of the Charter is the extent to which HMRC (and taxpayers and their agents) follow it in practice. Feedback received to date, including that provided to HMRC through the Powers and Safeguards Evaluation Forum previously reported on in Technical Newsdesk, has identified that some of the principles in the Charter are not being applied in practice by HMRC.

The consultation prompts consideration of how HMRC should monitor their performance against the Charter, including the use of feedback and the action

required to achieve improvements. HMRC indicated in a virtual meeting with representative stakeholders (including ATT, CIOT and LITRG) at the beginning of April that they envisage ongoing engagement with the group.

In addition to representation on the stakeholder group, ATT, CIOT and LITRG are each preparing a written response. The consultation is due to close on 15 May. Ideas for inclusion in those responses or the subsequent group discussions with HMRC are very welcome and should be sent as soon as possible to those named below.

HMRC’s consultation document can be found at: https://tinyurl.com/v8865u6.