Large business tax compliance: CIOT responds to Public Accounts Committee inquiry

Large Corporate

May 2026



22 April 2026

The CIOT has submitted evidence to the Public Accounts Committee inquiry into large business tax compliance.

The Public Accounts Committee (PAC) inquiry into Large business tax compliance is scrutinising the processes surrounding large business tax compliance and will proceed from the National Audit Office's (NAO) findings in its report published on 27 February 2026. The NAO report considers the performance and governance of HMRC's Large Business Directorate, and whether its approach is delivering value for money. As noted in the NAO report, the CIOT was a contributor to the NAO in its research for this report.

In our comments submitted to the PAC, we welcomed the inquiry into large business tax compliance, recognising the significant contribution that large businesses make to the total tax revenue collected by HMRC. The call for evidence by the PAC notes that HMRC's Large Business Directorate works with the largest of these businesses, taking a more hands-on approach due to their size, complexity and the amount of tax at stake. Our submission considered this cooperative approach to compliance and supported the principle of it.

We noted that the costs of compliance and related reporting requirements for large businesses are already high and continue to grow, and we largely agreed with the NAO's recommendations on ways in which HMRC's Large Business Directorate can be made more effective.

We also highlighted that HMRC's approach to compliance impacts on the CIOT's objectives for a tax system where there is a fair balance between the powers of tax collectors and the rights of taxpayers, alongside responsive and competent tax administration, with a minimum of bureaucracy.

We discussed the customer compliance manager (CCM) model, which is the foundation of the cooperative compliance approach, and said that this generally works well. However, we did share concerns about CCMs being sometimes unable to resolve issues. CCMs are most effective when they have sector knowledge and stay in place long enough to understand their company.

We also discussed concerns around circumstances where HMRC requests considerable, and sometimes excessive, amounts of information. At times, HMRC appeared to overstep their statutory powers and to request information with little thought to the cost to business. We suggested that HMRC need to be clear on the purpose of each data request and tell the business what they intend to do with the information.

We also suggested that if a business has a cooperative relationship with HMRC and has achieved a low-risk rating, this should be taken into account when deciding on compliance interventions.

Finally, we said that we would support an extension of the cooperative compliance model and the CCMs framework. Businesses which are large but not large enough to have a CCM currently face additional burdens without additional support.

Our comments submitted to the PAC inquiry will be available on our website once published by the PAC.

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