Modernising Revenue Scotland’s tax administration framework

General Features

August 2026

21 July 2026

The CIOT, LITRG and ATT have responded to a Scottish government consultation on ‘Modernising Revenue Scotland’s tax administration framework – communications from Revenue Scotland to taxpayers’. On 23 March 2026, the Scottish government published a consultation on proposed changes to the way that Revenue Scotland communicates with taxpayers. The consultation set out Revenue Scotland’s current communications framework, and the challenges presented by the existing arrangements.

Currently, Revenue Scotland can only send documents to a taxpayer electronically where prior written consent is given, and there is uncertainty as to whether such consent includes the use of the Scottish Electronic Tax System (SETS) to send correspondence. The consultation seeks views on proposed changes that would enable Revenue Scotland to use electronic communications as a default means of communicating with taxpayers, allowing postal communications for those opting out or who are digitally excluded. Electronic communications could include sending information through email, secure email portals and the SETS, and may include other forms such as social media.

The consultation document also outlines proposed changes to the use of ordinary post for communicating with taxpayers. The consultation explains that current legislation does not provide certainty around whether a taxpayer has received correspondence sent by ordinary post.

This has a cost impact on Revenue Scotland where it has to revert to using recorded delivery or signed-for post. The consultation outlines proposed changes so that Revenue Scotland can presume that a letter sent by ordinary post has been received by the taxpayer (subject to rebuttal).

The consultation focuses on two linked areas. The first is operational changes to the use of electronic communications and ordinary post by Revenue Scotland. The second area concerns proposed changes to the legal tax framework around proof of transmission and rebuttable presumptions of receipt.

Operational changes

In regards to the proposed operational changes, the CIOT noted in their response that many taxpayers and businesses are well versed in integrating digital systems and communications into their day-to-day lives, and were therefore of the view that Revenue Scotland should be able to use electronic methods of correspondence, with effective provisions to protect those who are unable to interact digitally.

Whilst the consultation defines electronic communications broadly, our understanding from discussions with Revenue Scotland is that the proposed communication method may be a balance of SETS and email.

There are complexities with the use of SETS for both unrepresented taxpayers and agents. If SETS is to be used as one of the primary means of communication, it is important that it can be used effectively by all users – individual taxpayers, businesses and agents. LITRG, in their response, highlighted that currently the SETS has limited functionality for unrepresented taxpayers and supported the expansion of the service to allow those who do not have agent representation to self-serve digitally.

Whilst LITRG appreciates and commends Revenue Scotland's ongoing engagement with stakeholders on the SETS system, it still remains ineffective if it is to be used as the primary means of communication, as having a single administrator who receives notifications for all messages can be onerous and creates a risk that messages are missed by agents.

It is important that agents can see and do everything their clients can, especially for land and buildings transaction tax, where a significant proportion of taxpayers and businesses are represented. LITRG also recommended that a multi-channel communications approach should be used to reduce the risk of missed deadlines by taxpayers.

With the potential use of email in addition to SETS, ATT warned that phishing, spoofed messages and unauthorised access could increase in a digital-first environment. To mitigate these risks, it recommended that secure delivery mechanisms, strong authentication controls and clear guidance to help taxpayers identify genuine communications are put in place.

In all submissions, we stressed the importance of an opt-out for electronic communications by default. Any such process needs to be simple, tested, co-created, accommodate accessibility requirements and be available to taxpayers and agents through multiple channels, including non-digital. Taxpayers and agents should also receive confirmation that their opt-out request has been received. All three submissions highlighted the importance of effective communication and guidance around the existence of the opt-out process and how to use it.

We all also raised the added complexity that Revenue Scotland faces with a transactional tax such as the land and buildings transaction tax, where taxpayers are not interacting with the tax system on a regular basis, as with taxes such as income tax.

Proof of transmission and receipt

The second area concerns changes to proof of transmission and rebuttable presumptions of receipt for electronic communications and ordinary post. Overall, the CIOT agreed that it is reasonable to revisit the current framework around proof of transmission and rebuttable presumptions of receipt to ensure the effective use of ordinary post and electronic communications. We all highlighted that issues with the delivery of ordinary post and electronic communications are inevitable. Therefore, there needs to be clear guidance outlining how a taxpayer can challenge a presumption of receipt for either method.

This is important to ensure it is clear to the taxpayer what they must do if they ever needed to challenge receipt, and to ensure a fair balance of powers between Revenue Scotland and taxpayers.

We also supported and agreed with other stakeholders, that the proposed changes to the legal framework require further engagement with tax, legal and justice stakeholders, as they may have a broader impact.

All three submissions welcomed the opportunity to engage with Scottish government and Revenue Scotland after the consultation closed.

The full CIOT submission is available here: www.tax.org.uk/ref1669

The full LITRG submission is available here: www.litrg.org.uk/11246

The full ATT submission is available here: www.att.org.uk/ref523

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