Finance Bill briefings

General Features

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Every year CIOT, ATT and LITRG produce dozens of briefings for MPs considering the Finance Bill.

At time of writing technical officers from CIOT, ATT and LITRG are working on around 30 separate briefings for MPs scrutinising Finance Bill 2017. Why, at this late stage of the policy process, are we putting in all this effort?

First and foremost we are pursuing our mission to advance public education in taxation. This is not just about providing an educational framework for tax professionals, it's also about increasing general understanding of tax matters by non-specialists and, in particular, being available for consultation by legislators whose feedback shows how much they appreciate our support. Not many bodies are in a position to provide accessible, tax technical briefing so if we didn't do it, it would leave a big gap. Although a few of the clauses each year are highly political (we tend to take a step back from these) most are fairly technical and our briefing supplements the official explanatory notes in enabling MPs to understand what they are discussing.

Second, while it is rare that we get policy change at this late stage, we do often succeed in eliciting – via the 'probing questions' we suggest – clarifications from ministers that will be helpful in interpreting legislation – for example putting it on the record that it is not intended to catch certain groups, or commitments to spell particular things out in guidance.

Examples of this from last year's Finance Bill included commitments to include particular contents in guidance on tax treatment of payments from sporting testimonials, on pension flexibility provisions and on simple assessments, among others.

Third, there are sometimes occasions where, even if we don't get movement or clarification, it is helpful simply to put on the record the concerns that tax professionals have about particular measures – be it their complexity, their scope or our doubts about whether they will be effective in achieving the aims set out for them. At the very least, doing this shows government – ministers and civil servants – that we should be taken seriously. If they know that if we're unhappy with a piece of legislation the minister will get challenged about it in the chamber or the committee room, they're more likely to take our concerns seriously next time we make them. (Or the way we would see it – if they produce shoddy legislation they're going to get found out – so they'd better not produce shoddy legislation.)

All of this is done for the same reasons as the rest of our technical activity – in pursuit of a simpler, more workable system for taxpayers, with greater certainty and minimal administrative burdens, the interests of both represented and unrepresented taxpayers considered, and a fair balance between the powers of tax collectors and the rights of taxpayers.

How do we do this?

Since 2014 we have been invited by the Finance Bill Committee to make formal submissions to the Committee, which are published along with other committee evidence. Additionally, it remains open to us to provide more informal briefing (sometimes as short as a few paragraphs) to individual MPs in response to requests or where we think they would find this particularly useful. This most often applies to opposition spokespeople who – fellow followers of Finance Bill Hansard will attest – are, alongside ministers, the dominant contributors to debate.

CIOT, ATT and LITRG all of course remain strictly politically neutral – our briefing now may be primarily used by Labour and SNP members, but before 2010 it was primarily used by Conservatives and Lib Dems. And of course ministers and their civil servants will have been recipients of far more submissions from us (usually 200+ in a year) during the earlier stages of the policy process.

A key rule is that nothing we put in a briefing should come as a surprise to the government if it is quoted in Parliament – generally speaking all concerns will be ones we have expressed in earlier consultations, and if legislation is new and has not previously been consulted on we will make our concerns known to the government earlier or, if this is not possible, at the same time as we communicate them to the

MPs scrutinising the Bill.

Of course not every briefing note we provide is cited, and not every point raised in discussions on the Bill receives the response we would hope for. Overall, however, the work put into supporting Finance Bill scrutiny by our technical officers, Sub-Committee Chairs and external relations team is generally worthwhile, not only raising the profile of CIOT, ATT and LITRG but helping to improve the quality of parliamentary debate and ultimately, alongside our other technical work, helping make tax legislation more workable and the information available to taxpayers and their advisers clearer.

Regular reports on the Finance Bill's progress appear on the CIOT website blog.