

Sir Amyas Morse to lead independent review of the Loan Charge

Sir Amyas Morse, the former Comptroller and Auditor General and Chief Executive of the National Audit Office (NAO), will lead an independent review of the Loan Charge, the Financial Secretary to the Treasury, Jesse Norman, announced today (11 September 2019).

[The review](#), commissioned by the Chancellor, Sajid Javid, will consider whether the policy is an appropriate way of dealing with disguised remuneration loan schemes used by individuals who entered directly into these schemes to avoid paying tax.

The disguised remuneration Loan Charge was introduced to tackle contrived schemes where a person's income is paid as a loan which does not have to be repaid.

Disguised remuneration loan schemes were used by tens of thousands of people, and concerns have been raised about the use of the Loan Charge as a way of drawing a line under these schemes. The government is clear that disguised remuneration schemes do not work and that their use is unfair to the 99.8 per cent of taxpayers who do not use them.

The Treasury has asked Sir Amyas Morse to report back by mid-November, giving taxpayers certainty ahead of the January Self Assessment deadline.

Financial Secretary to the Treasury Jesse Norman said:

Everyone should pay their fair share of tax. These disguised remuneration schemes are highly contrived attempts to avoid tax, but it is right to consider if the Loan Charge is the appropriate way of tackling them.

The Government fully appreciates the concerns expressed by individuals, campaigners, and MPs who have raised concerns about the Loan Charge, and the Chancellor has today appointed Sir Amyas Morse, former Comptroller and Auditor General and Chief Executive of the National Audit Office (NAO), to lead an independent review of the policy.

Sir Amyas is known and respected across Parliament for his expertise and independence of mind. The Government looks forward to his report as it continues to tackle these and other tax avoidance schemes.

While the review is under way the Loan Charge remains in force. HM Revenue and Customs will set out in more detail today how the review will affect individuals involved.

The review will focus on the impact on those individuals who were using the schemes directly, reflecting the main concerns that have been raised by MPs and campaigners about the Loan Charge.

HMRC has been challenging the use of disguised remuneration loan schemes for more than 20 years, and the government introduced targeted anti-avoidance legislation in 2011 to shut them down.

But the schemes continued to proliferate, and with many users not disclosing their use of them as they were required to, the government announced the Loan Charge in 2016. That gave users three years to either repay the loan, settle the tax due with HMRC, or face an income tax charge on the stock of outstanding loans.

Further details on the review will be available shortly.