



TAXREP 4/13

(ICAEW REP 9/13)

## ICAEW TAX REPRESENTATION

### WITHDRAWING A NOTICE TO FILE A SELF-ASSESSMENT RETURN

**Comments submitted on 4 February 2013 by ICAEW Tax Faculty in response to HM Treasury/HM Revenue and Customs invitation to comment on draft Finance Bill 2013 legislation in the consultation draft *Withdrawing a notice to file a self-assessment return* published on 11 December 2012**

#### Contents

	Paragraph
Introduction	1-4
Who we are	5-7
Text of response to consultation	8-10
Ten Tenets for a Better Tax System	Appendix 1

## INTRODUCTION

1. ICAEW welcomes the opportunity to comment on the draft Finance Bill 2013 legislation contained in the consultation draft [Withdrawing a notice to file a self-assessment return](#) published by HM Revenue & Customs (HMRC) on 11 December 2012.
2. We should be happy to discuss any aspect of our comments and to take part in all further consultations on this area.
3. Information about the Tax Faculty and ICAEW is given below. We have also set out, in Appendix 1, the Tax Faculty's Ten Tenets for a Better Tax System by which we benchmark proposals to change the tax system.
4. This document contains an edited version of our response submitted on 4 February 2013.

## WHO WE ARE

5. ICAEW is a world-leading professional accountancy body. We operate under a Royal Charter which obliges us to work in the public interest. ICAEW's regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the UK Financial Reporting Council. We provide leadership and practical support to over 140,000 member chartered accountants in more than 160 countries, working with governments, regulators and industry in order to ensure that the highest standards are maintained.
6. ICAEW members operate across a wide range of areas in business, practice and the public sector. They provide financial expertise and guidance based on the highest professional, technical and ethical standards. They are trained to provide clarity and apply rigour, and so help create long-term sustainable economic value.
7. The Tax Faculty is the voice of tax within ICAEW and is a leading authority on taxation. Internationally recognised as a source of expertise, the faculty is responsible for submissions to tax authorities on behalf of ICAEW as a whole. It also provides a range of tax services, including TAXline, a monthly journal sent to more than 8,000 members, a weekly newswire and a referral scheme.

## TEXT OF RESPONSE TO CONSULTATION

8. ICAEW wishes to thank HMRC for the opportunity to comment on the draft legislation on withdrawing a notice to file a self-assessment return.
9. We have considered the draft legislation and have no comments to make further to those we made in our response of August 2012 to the original consultation document in [TAXREP 38/12](#). We welcome the proposal which we believe to be both sensible and workable.
10. We note that reference is made within the consultation draft published on 11 December 2012 to extending the policy wider than SA. We would strongly urge HMRC to consider introducing the same policy for Corporation Tax returns. We think that the same benefits would accrue as under the self-assessment policy – certainty and a reduction of administration costs for both companies and HMRC.

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## APPENDIX 1

### ICAEW TAX FACULTY'S TEN TENETS FOR A BETTER TAX SYSTEM

The tax system should be:

1. Statutory: tax legislation should be enacted by statute and subject to proper democratic scrutiny by Parliament.
2. Certain: in virtually all circumstances the application of the tax rules should be certain. It should not normally be necessary for anyone to resort to the courts in order to resolve how the rules operate in relation to his or her tax affairs.
3. Simple: the tax rules should aim to be simple, understandable and clear in their objectives.
4. Easy to collect and to calculate: a person's tax liability should be easy to calculate and straightforward and cheap to collect.
5. Properly targeted: when anti-avoidance legislation is passed, due regard should be had to maintaining the simplicity and certainty of the tax system by targeting it to close specific loopholes.
6. Constant: Changes to the underlying rules should be kept to a minimum. There should be a justifiable economic and/or social basis for any change to the tax rules and this justification should be made public and the underlying policy made clear.
7. Subject to proper consultation: other than in exceptional circumstances, the Government should allow adequate time for both the drafting of tax legislation and full consultation on it.
8. Regularly reviewed: the tax rules should be subject to a regular public review to determine their continuing relevance and whether their original justification has been realised. If a tax rule is no longer relevant, then it should be repealed.
9. Fair and reasonable: the revenue authorities have a duty to exercise their powers reasonably. There should be a right of appeal to an independent tribunal against all their decisions.
10. Competitive: tax rules and rates should be framed so as to encourage investment, capital and trade in and with the UK.

These are explained in more detail in our discussion document published in October 1999 as TAXGUIDE 4/99 (see [icaew.com/en/technical/tax/tax-faculty/~media/Files/Technical/Tax/Tax%20news/TaxGuides/TAXGUIDE-4-99-Towards-a-Better-tax-system.ashx](http://icaew.com/en/technical/tax/tax-faculty/~media/Files/Technical/Tax/Tax%20news/TaxGuides/TAXGUIDE-4-99-Towards-a-Better-tax-system.ashx) )