



CHARTER OF STANDARDS AND VALUES – A CONSULTATION PAPER REVENUE SCOTLAND

ICAEW welcomes the opportunity to comment on the consultation paper [*Charter of Standards and Values – A Consultation Paper*](#) published by Revenue Scotland on 26 January 2015.

This response of 6 March 2015 has been prepared on behalf of ICAEW by the Tax Faculty. Internationally recognised as a source of expertise, the Faculty is a leading authority on taxation. It is responsible for making submissions to tax authorities on behalf of ICAEW and does this with support from over 130 volunteers, many of whom are well-known names in the tax world. Appendix 1 sets out the ICAEW Tax Faculty's Ten Tenets for a Better Tax System, by which we benchmark proposals for changes to the tax system.

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Introduction

1. We welcome the opportunity to comment on the proposals in Revenue Scotland's consultation paper on the Charter of Standards and Values – Revenue Scotland (the Charter) of 26 January 2015.
2. We should be happy to discuss any aspect of our comments and to take part in all further consultations on this area.
3. We appreciate that when it is introduced, which it is hoped will be 1 April 2015, the Charter will only apply to the two powers that will be devolved at that time, namely Land and Buildings Transaction Tax and Scottish Landfill Tax. Nevertheless we believe that every effort should be made to introduce a Charter which will stand the test of time and be applicable to the other devolved taxes as and when they are introduced.

General comments

4. The consultation paper asks about the reasonableness of the obligations and responsibilities of Revenue Scotland and of Taxpayers and their agents and also how to raise awareness of the Charter and encourage its use by Revenue Scotland staff.
5. We have a few comments about the obligations and responsibilities of Revenue Scotland. The Charter states that Revenue Scotland will:

Confidentiality

6. The third bullet point states that Revenue Scotland will "Treat you courteously and with respect, and recognise your right to confidentiality".
7. We believe that the right of the taxpayer to confidentiality is such an important right, which Revenue Scotland will need to uphold, that it should be covered in a separate, standalone, bullet point.

The right to complain and seek redress

8. At the moment bullet point 8 is "Use your feedback to improve our processes: respect your right to complain and act upon it." We think the key issue here should be to state that the taxpayer's right to complain is of absolutely fundamental importance and this should be the key element in the bullet point. We also think that acting on feedback to improve processes while it will be of fundamental importance to Revenue Scotland's modus operandi it is more an administrative matter rather than a matter of fundamental taxpayers' rights.

Other matters

Regular reviews of the working of the Charter of Standards and Values

9. We think it would be helpful to provide for an annual review of the working of the Charter. This is, for instance, a statutory requirement in relation to "Your Charter" in the UK.

"The Commissioners must, at least once a year, make a report reviewing the extent to which Her Majesty's Revenue & Customs have demonstrated the standards of behaviour and values included in the Charter".

S16A(4) Commissioners for Revenue & Customs Act 2005

10. While there is no statutory requirement in Scotland for such a review we believe that it has proved beneficial in the UK since that Charter was introduced in 2009 and would be equally beneficial in Scotland.

Format of the Charter of Standards and Values

11. We believe that Charters work best if they are brief, clear and concise. When finalising this Charter to take account of all the comments and recommendations received in response to this

consultation we urge Revenue Scotland to make the published Charter concise and to the point.

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 via <http://www.icaew.com/en/about-icaew/what-we-do/technical-releases/tax>).