

NICKIE AIKEN MP



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Jesse Norman MP  
Financial Secretary to the Treasury  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

27<sup>th</sup> April 2020

Dear Minister,

### **Loan Charge**

I have come to the Loan Charge Campaign rather late in the day. I have done so as I have been deeply concerned to hear the testimonies of several of my constituents affected by the scheme and HMRC's handling of it. I have to say that I have been appalled to learn of the way these hard-working people have been treated to date.

There is a theme running through the issues that my constituents raise with me. The publication of the Sir Amyas Morse report into the 'Loan Charge' and its recommendations has caused even greater concern and I agree with those who have corresponded and met with me that the proposed changes in the Morse report will do very little to put things right for many of those affected.

I would like to raise the following specific issues with you:

Firstly, if the Morse review is correct in stating that the law on this issue has been clear since 2010/2011, why did the Finance Bill Of 2017 need to include new legislation to cover loan arrangements? If the law was in fact clear then surely there should have been no need for additional legislation?

Secondly, many of my constituents have informed me that they only took part in these arrangements on the advice of lawyers, accountants and other licenced professionals. If the law was in fact clear, then what is being done to punish these groups for providing advice that was unlawful?

Finally, several constituents have explained to me that they declared all their arrangements to HMRC and received DOTAS numbers regarding them. Despite HMRC's knowledge of this, nothing was done to challenge these practices. If as the

Morse review states, the law has been clear since 2010, why has HMRC not dealt with this matter previously? If the law truly had been clear from the beginning, then the 2017 Finance bill would not have needed to retroactively change the rules?

The biggest concern for me in the whole Loan Charge debacle is the matter of the law being retrospective. I am utterly against any legislation being retrospective. I appreciate that there is a case for setting a deadline for a change in taxation and legislation and providing proper warnings that things will change. However, to announce that a form of taxation is to change and that taxpayers or anyone involved in such a scheme as the Loan Charge will be expected to pay tax on backdated years is unfair, unjust and anti-Conservative. I fear that introducing retrospective and retroactive legislation sets a dangerous precedence.

I would be most grateful if you could please address the questions raised in my letter and assure both my constituents and me that this Government is not seeking to punish them retrospectively.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'N. Aiken', written in a cursive style.

Nickie Aiken MP  
Cities of London and Westminster

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