



# HM TREASURY

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# HM Revenue & Customs

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## HM Treasury and HMRC tax simplification reviews

As part of the Government's commitment to tax simplification, this Pre-Budget Report and Comprehensive Spending Review launches three reviews which will consider:

- how to simplify VAT rules and administration in the UK and the EU;
- how anti-avoidance legislation can best meet the aims of simplicity and revenue protection; and
- how to simplify the corporation tax rules for related companies.

We are already working towards ambitious targets, published at Budget 2006, to reduce the administrative burden of forms, returns, audits and inspections on UK business. HMRC is also working to improve the service it provides in administering the tax system, for example by reducing the current level of delays in processing VAT registrations. We believe the three simplification reviews will complement this work and its delivery.

As the HM Treasury and HMRC officials responsible for leading the simplification reviews, we are determined to ensure they are based on the needs of business, tax professionals, and their representatives. We therefore invite you to contribute actively – at meetings, by email, letter or online (see [http://www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm) or below).

The first stage of each review, during autumn 2007, will agree with business which tax simplifications to prioritise, through discussions in existing forums where possible. We have proposed some initial suggestions to begin this debate (attached). We would welcome your views on whether these properly reflect your priorities, or whether there are other areas, consistent with the simplification principles set out in the Pre-Budget Report, that we should focus on instead. Once priorities have been agreed, we will set out the remit and estimated timetable for the reviews. An update on progress will be provided at Budget 2008.

We look forward to working with you.

Yours sincerely

**Edward Troup**  
Director, Business and Indirect Tax  
HM Treasury

**Dave Hartnett**  
Director General (Business)  
HMRC



INVESTOR IN PEOPLE

**Contact information for the reviews:**

Further information

[http://www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm)

VAT Review

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Anti-avoidance Review

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Related Companies Review

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