



# **Tax Appeals Stakeholder Group**

**3<sup>rd</sup> March 2005**

**Paper No. 3 - Objectives of reform**

**SG01/03**

# Foreword

## Document Control

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Author: Steve Wade

Document Approver Tax Appeals Stakeholder Group

Signature \_\_\_\_\_

Date \_\_\_\_\_

Document Purpose This document outlines the high level objectives for tax appeals reform and the criteria against which options for reform will be appraised.

## Amendment History

Issue	Date	Amended By	Amendment Details
0.1	25/02/05	Steve Wade	First draft for comments.
1.0	28/02/05	Steve Wade	Final Version for Stakeholders
2.0	16/03/05	Steve Wade	Amended version following stakeholder comments

## Aim

1. The overall aim of reform is to create an effective, efficient and proportionate tax appeals system that meets the needs of all users from individuals and small businesses through to large multinationals and the new department of HM Revenue and Customs and which is consistent with and supports the wider administrative justice reform principles outlined in the Government's recent White Paper "Transforming Public Service: Complaints, Redress and Tribunals" published in July 2004.

## Objectives for reform

2. Previous reports and consultation identified a number of areas where it was felt that the current tax appeals system does not meet fully the needs of its users. The key reports were those of the Tax Law Review Committee in October 1999 and Sir Andrew Legatt's report "Tribunals for Users" published in March 2001. The Government also sought wider views in a consultation paper issued in March 2000. A summary of this evidence is provided as Annex A in the accompanying position paper SG01/02.
3. From the recommendations in these reports, and the responses received during consultation, a number of key themes for reform were drawn out. These formed the high level objectives that were outlined in Chapter 9 "Tax Appeals" of the July 2004 White Paper. They are outlined below together with the more detailed issues to be addressed that fall out of each area. They form the drivers for the tax appeals modernisation project and the criteria against which options for reform will be evaluated.

## Evaluation Criteria

4. Consistent and effective structures and processes
  - Common standards and consistency of administrative processes and procedures for similar types of case across all tax jurisdictions.
  - Consistent and adequate judicial structures including such areas as judicial management, training and appraisal.
  - Adequate standards of accommodation and compliance with the Disability Discrimination Act.
  - Coherent unified jurisdiction of tax appeals and clarity on appeal routes.
5. Open and representative appointments
  - Recruitment process of all tribunal judiciary and associated tribunal staff via fair and open competition.
  - Clarity of roles, responsibilities and employment status of all staff and effective control mechanisms in terms of appraisal, training, disciplinary processes and complaints procedures.
  - So far as is expedient in a specialist tribunal, a judiciary that is representative of its customers and society as a whole.

## 6. Manifest Tribunal independence

- Tribunal has effective control of cases from initial appeal through to final disposal and is not reliant upon decision-making departments for information.
- Clear separation between Tribunals and administration of decision-making departments (e.g. production of hearing notices and hearing lists).