

Tax avoidance and the budget

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This is what the main parts of the press release on tax avoidance says:

Offshore disclosure

Please see Press Notice 1 for further details of a New Disclosure Opportunity (NDO) for offshore bank account holders.

Publication of names of serious tax defaulters

Please see Press Notice 1 for further details of the publication by HMRC of the names of deliberate tax defaulters.

New reporting requirements for tax defaulters

A small minority of tax defaulters put significant tax revenues at risk. The Government today announces that those who have incurred a penalty for the deliberate understatement of tax of at least £5,000 will be required to provide more information on their tax affairs for up to five years to ensure they have proper systems to be able to make a correct tax return and allow HMRC to monitor future compliance.

Accountability of senior accounting officers

The Government today announces a measure to establish a statutory requirement for senior accounting officers of major corporates to certify personally that adequate controls to prepare accurate tax computations are in place.

Developing the disclosure of avoidance schemes regime

Disclosure of Tax Avoidance Schemes (DOTAS) is an important part of the tax framework giving HMRC early warning of avoidance schemes. HMRC will begin discussions with interested parties with a view to extending the 'hallmarks' used to identify avoidance schemes, to ensure they continue to bear down on avoidance, and revising the penalty regime to introduce tougher sanctions for the non compliant.

Tacking avoidance of tax on disguised interest and transfers of income streams

Following consultation the Government today announces the introduction of principles-based legislation to counter avoidance in two areas involving financial products, in response to continued attempts at abuse. Specifically, the legislation will prevent schemes designed to avoid tax on interest received and schemes seeking to side-step existing anti-avoidance legislation on the sale of income streams.

Proposals to counter avoidance using financial products

The Government today announces a measure to counter avoidance schemes involving the use of convertible securities within a group to create accounting asymmetries and

the creation of artificial losses on loans and derivatives.

Foreign exchange targeted anti-avoidance rule

The Government today announces a targeted anti-avoidance rule to stop the use of tax avoidance schemes that seek to exploit the foreign exchange tax matching rules.

Exchange gains or losses on borrowings or currency derivatives will only be disregarded for tax purposes if they do not arise from tax avoidance arrangements.

Let's applaud these — especially those that top the list.

But what's perhaps the biggest political statement of all — that corporate tax directors will be held personally responsible for the tax returns they submit — what an indictment which says HMRC does not trust these people.

I'm sorry to say that they're right not to.