

The Association of Revenue & Customs say the government.

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The Association of Revenue and Customs is the part of the First Division Association the senior staff and managers at H M Revenue & Customs. In other words, this is the union of for HMRC's bosses.

They have issued a damning report today on the proposed general anti-avoidance principle put forward by Graham Aaranson QC last year which now forms the basis of the consultation that the government is proposing on this issue. [As they say in a remarkably clear and succinct report:](#)

In December 2010 the Government asked Graham Aaronson QC to lead a review to consider introducing a general anti-avoidance rule (GAAR) into the UK tax system. His Report recommended a 'narrow' principle, centred on tackling 'egregious, or very aggressive, tax avoidance schemes.' This GAAR would have safeguards built in to protect taxpayers, and be assisted in its operation by an Advisory Panel. The Government has accepted these proposals and will set out detailed proposals for consultation in summer 2012 with a view to legislating in Finance Bill 2013.

ARC believes the proposal, and the concept of "responsible" tax planning, may widen perceptions of what is responsible tax planning and so make it harder to tackle avoidance. We suggest the Advisory Panel will cause taxpayers additional uncertainty and delay, as well as conflict with the current judicial process for appeal. Like HMG, ARC wants to tackle avoidance (very conservatively estimated at £5bn each year). We recommend instead a wider GAAR, fully resourced and able to provide taxpayers with clearances so as to provide more and early certainty on how HMRC views transactions. A narrow GAAR may otherwise serve to legitimise what is currently held to be avoidance. In other words, under the guise of tackling avoidance, it may actually facilitate it.

I agree.

This is a GAAR that won't do what it says on the tin.

We need a real one. And I'm glad the top professionals at HMRC are standing up and

saying that. I'm also pleased that this gives a very clear message that the problems which I highlight, time and again, at HMRC are not because of the quality of the people they employ, but because of the political capture of the very top of this organisation where, in particular, the Board has almost nobody on it who understand anything about tax. This is the problem that has to be tackled.