

Late, but welcome none the less: the government cracks ...

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I have long argued, as have others, that tax avoidance is a supply driven market. Without the activities of what [Prem Sikka calls the pinstripe mafia](#) then there would be little of the tax abuse that has plagued society.

Now, at long last, and decidedly late, the government has decided to crack down on the suppliers of tax abuse. [A new consultation on the issue was launched yesterday](#) in the forward to which my old friend (sic) David Gauke MP said:

There is evidence that many mainstream tax advisers are increasingly unwilling to advise clients to undertake tax avoidance. For those who persist in promoting avoidance, we expect them to be transparent with HMRC about what they are doing and transparent with their clients about the risks involved in undertaking tax avoidance. Reputable advisers recognise it is their professional responsibility to be transparent and we will not tolerate promoters who sidestep their responsibilities.

Those promoters are out of step with the sector in which they work, with the vast majority of tax advisers keen to distance themselves from the few high-risk promoters. They are also out of step with society at large, which has made it clear there is no tolerance for tax avoidance.

Through new proposals to:
~~*i: identify publicly high-risk promoters of avoidance schemes;*~~
~~*ii: isolate them from mainstream advisers;*~~
~~*iii: use information powers to get early information about their products; and*~~
~~*iv: make it clear to their customers who they are dealing with.*~~
we will make it significantly harder to market avoidance in the first place.

That will be underscored by significant new penalties for failure to comply with the new regime and higher standards for reasonable excuse and reasonable care that will apply to attempts to sidestep it.

The intention is clear: the purveyors of abusive avoidance will be labelled as such. I strongly suspect that some I think fit the category will not get the label, but this is a step in the right direction and one that I have called for over a long period. It would be churlish not to welcome it now the process is, hopefully, underway.