

Funding the Future

Article URL

Published: January 12, 2026, 6:22 pm

The [Public Accounts Committee is interrogating HMRC](#) this afternoon, [as I've already noted](#). Principle witness for HMRC is Edward Troup, Tax Assurance Commissioner and second Permanent Secretary and so heir to Dave Hartnett.

As the [government web site says of Troup](#):

Edward Troup began his career as a tax lawyer, working with law firm Simmons & Simmons, until joining HM Treasury as a special adviser on tax, between 1995 and 1997. Edward returned to Simmons & Simmons in 1997, before rejoining the Treasury in 2004 as Director of Business and Indirect Tax.

and:

HMRC's Tax Assurance Commissioner and second Permanent Secretary reports directly to the Chief Executive and is responsible for shaping tax policy and strategy, is the Head of Profession for Tax, and oversees and provides assurance of large tax settlements.

Now I do not in principle completely oppose people from outside HMRC coming into its management, although there must be moderation. What worries me is when those who are imported into HMRC's management appear to have an ethos that does not accord with that which would be expected from HMRC management. There is some evidence to suggest that's the case with Edward Troup. This comes from an article he wrote for the FT in 1999:

Tax law does not codify some Platonic set of tax-raising principles. Taxation is legalised extortion and is valid only to the extent of the law. Tax avoidance is not paying less tax than you 'should'. Tax avoidance is paying less tax than Parliament would have wanted. Avoidance is where Parliament got it wrong, or didn't foresee all possible combinations of circumstance. The problem of tax avoidance is reduced to the problem of finding an answer to the question of what parliament intended and making sure that this is complied with. I would not pretend this is a simple task. But recognising this as the issue and dealing with it equitably and constitutionally would be a significant step on the way to tackling avoidance effectively.

So does this come from the same article:

The pitfall that recent governments have fallen into is to challenge the tax planners on their home turf. Successively more complex sets of rules have been created, which in turn provide opportunities for exploitation. A simpler tax system, with fewer reliefs, exemptions and discontinuities would, in the long term, frustrate most of the tax avoiders' ploys .

And this, when referring explicitly to a potential general anti-avoidance principle:

Merely saying that steps taken for tax avoidance motives can be ignored or rewritten takes the analysis no further. It is merely a pious statement that that parliamentary intention should not be frustrated. But such a general anti-avoidance provision would not be ineffective. It would, of necessity, have to give the revenue authorities the discretion to invoke, or not to invoke, its operation. The taxpayer would be laid at the mercy of the bureaucrat.

And these do not appear to be views he has distanced himself from. They were quoted in a 2013 briefing to parliament on a general anti-avoidance rule without steps being taken to say he had changed his mind in the meantime.

So let's reflect on that for a moment. Here we have the head of tax policy arguing like the Institute for Economic Affairs against the complexity in legislation needed to beat tax abuse and to collect tax from modern commercial transactions.

And here we have a head of tax policy arguing HMRC should not have the power to invoke the use of anti-avoidance legislation to support the will of parliament and who thinks 'bureaucrats' cannot make such decisions, undermining the whole logic of having a tax authority in the first place.

And a person responsible for tax settlements who sees and argues for the commercial logic and benefit to tax avoidance.

Perhaps the PAC would like to question Mr Troup on these views today and ask the question whether such attitudes are consistent with the position he now holds or undermine it. I know where I stand.