

HMRC and I are singing from a hymn sheet, if only for t...

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HMRC [published a new consultation document](#) on increasing large business tax compliance yesterday. I welcome it.

Tax avoidance or 'aggressive tax planning'

Tax avoidance or aggressive tax planning involves bending the rules of the tax system to gain a tax advantage that Parliament never intended. It often involves contrived, artificial transactions that serve little or no purpose other than to produce a tax advantage. It involves operating within the letter — but not the spirit — of the law.

In arriving at a view as to whether the transaction is contrary to the intentions of Parliament, HMRC will consider a purposive construction of the legislation, and will also consider whether Parliament can realistically have intended to give the proposed result in circumstances that are very different from those that prevailed at the time (e.g. re loopholes being used to arrive at an unexpected result).

I agree with that, entirely.

There are occasions when it is good to be signing from the same hymn sheet with HMRC.

Now [I just wish they would estimate the tax gap on that basis.](#)

The accord did not last for long.