

## Paying money into an ISA is not tax avoidance

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Some of the [debate at the Revenue Bar Association](#) last night focussed on the difficulty of defining tax avoidance. I offered a definition in the debate which was:

*An arrangement that is intended to reduce or eliminate a liability to one or more taxes in a way that could not have been anticipated by any reasonable legislator and whether or not the law in question specifically relates to tax or not*

Some found this broadly acceptable.

But can I be clear that this means that paying money into an ISA and getting pension tax relief can never be tax avoidance in that case? I say this because an MP suggested these may be tax avoidance in my presence the other day, and that is wrong because the law deliberately intended that those reliefs be provided and so no tax can have been avoided.

Those tax reliefs may, and may not, be a waste of government money, but they are not tax avoidance. The two are not the same.

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