



CALL FOR EVIDENCE: INCOME TAX SELF ASSESSMENT REGISTRATION FOR THE SELF-EMPLOYED AND LANDLORDS

Issued 22 March 2022

ICAEW welcomes the opportunity to comment on the call for evidence: income tax self assessment registration for the self-employed and landlords published by HMRC on 30 November 2021 a copy of which is available from this [link](#).

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SUMMARY

ICAEW does not support the suggestions for basing the notification requirement on the date an income source starts or a threshold is exceeded or reducing the period after the end of the tax year allowed for notification. A single date that applies to all taxpayers is more certain and much simpler to communicate. An earlier notification requirement with penalties charged for failing to meet that obligation would increase the number of disputes and appeals. Failure to notify penalties are generally based on the tax unpaid on 31 January following the end of the tax year which makes that the effective notification deadline. We suggest that remains the case so that taxpayers have every opportunity to register.

ICAEW suggests that government and HMRC reflect on the amount of change being proposed in a time of such uncertainty. We have serious concerns about the capacity of HMRC, taxpayers and agents to absorb and implement the amount of change being proposed.

The last few years have brought COVID-19, EU exit, Making Tax Digital VAT, capital gains tax property reporting, trust registration and the extension of off payroll working. There is a very significant amount of change still in the pipeline such as basis period reform, Making Tax Digital income tax self assessment and corporation tax and possible regulation of tax advice. When seeking to achieve the ambitions in the Tax Administration Strategy it is important to consider the sequencing of and capacity for change and not just select specific areas, such as earlier registration and timely payments, and work these as isolated projects.

ICAEW does not consider that legislative changes to notification requirements are a priority. There is considerable scope for improving systems and processes and for better education and communication within the current legal framework. This might include educating taxpayers about the advantages of early registration, budgeting and maintaining good accounting records. A review of the self assessment criteria (ie, the internal rules that HMRC uses to determine who needs to file an income tax self assessment return) and alignment of the notification and registration requirements should come before any changes to the deadline for notification and registration.

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KEY POINTS

1. The call for evidence considers only notification and registration for the self-employed and landlords. It is much too narrowly drawn and should at a minimum consider all individuals who are required to register for self assessment, as well as partnerships.
2. The issues around notification and registration for self assessment are much broader than set out in the call for evidence. The first priority should be to consider the self assessment criteria (ie, the internal rules that HMRC uses to determine who needs to file an income tax self assessment return as opposed to those who can have their income tax liability finalised within the PAYE system or through simple assessment). This needs to be addressed before the obligations and processes for registration are considered.
3. Within the narrow scope of the call for evidence, ICAEW does not support the suggestions of basing the notification requirement on the date an income source starts or a threshold is exceeded or reducing the period after the end of the tax year for notification. The date on which an income source starts, or a threshold is exceeded, is too uncertain and notification based on an uncertain date is likely to give rise to disputes between taxpayers and HMRC if there is an associated penalty regime. A date that applies to all taxpayers is more certain and much simpler to communicate. Reducing the period for notification also has the potential to increase the number of disputes and appeals.
4. As failure to notify penalties are generally based on the tax unpaid on 31 January following the end of the tax year that is the effective notification deadline. The publicity around the self assessment deadline is extremely useful in prompting taxpayers to notify HMRC by registering for self assessment.
5. There is considerable scope, within the current legislative framework, for HMRC to improve the processes around registration, including registrations by agents. Significant improvements could also be achieved by better education and communication, focused on good record keeping and budgeting from when the income source starts.
6. If changes are to be made to legislation, consideration should be given to aligning the legal requirement to notify with the requirement to register for self assessment and complete a tax return.
7. It is not clear what the problem is that HMRC is trying to solve. The call for evidence suggests that HMRC considers that a requirement to notify new income streams might somehow deter taxpayers who do not include all their income on their tax return. In our view, such a requirement would do nothing to tackle this type of tax evasion. A requirement to notify a new stream of income that does not amount to a separate trade would cause considerable confusion.
8. HMRC's objective should be to ensure that taxpayers file returns and pay the tax due by the normal statutory deadline that applies for filing and payment. The deadline for notification, however determined, is considerably less important.

ANSWERS TO SPECIFIC QUESTIONS

Question 1 How simple and well understood are the current legislation and processes for notifying liability and registering for ITSA? What are the benefits and/or drawbacks of the current system?

9. The current legislation and processes for notifying liability and registering for self assessment are not well understood.
10. Most taxpayers are unaware of the current deadline for notifying HMRC which is six months after the end of the relevant tax year. However, most are aware of the 31 January self assessment filing deadline and are prompted to act by awareness of that deadline and the significant amount of associated publicity including in the general media.

11. Many taxpayers who need to notify HMRC seek advice in the run up to the 31 January self assessment deadline and are successfully brought into self assessment by their agent or register themselves. In practice, 31 January following the end of the tax year is the 'real' deadline in that HMRC does not generally seek to charge failure to notify penalties if the tax due is paid by that date. The trigger date for late filing penalties is based on the date the notice to file was issued and the due date for late payment penalty purposes is also derived from when the notice to file was issued so these are not charged in late notification cases.
12. Taxpayers already in self assessment will generally believe that it is sufficient to report the new income source on a self assessment tax return. This accords with the tax legislation but the call for evidence ignores the fact that all new self-employments must be notified to HMRC for national insurance purposes even if a notice to file has been issued.
13. The current rules act as an encouragement to taxpayers to bring their affairs up to date by the 31 January deadline and reduce the likelihood of an early interaction with HMRC and the self assessment system being the charging of a penalty for late notification. The government and HMRC should be very wary about changing the system in a way that, due to concerns about penalties, might deter taxpayers from seeking advice and entering the system.
14. Despite the lack of understanding of the notification deadline, HMRC's own figures suggest that almost 70% of new registrations with trading income are already made within the tax year in which trading commences. This supports the view that most taxpayers are aware that they have tax obligations associated with a new trade and notify HMRC reasonably promptly. Those that don't do so probably fit into three categories:
 1. Those that are not clear about their obligations. Examples include:
 - a) where there is uncertainty about whether there is a trade and exactly when that trade started, especially where it develops from a hobby;
 - b) where there is uncertainty about their employment status (ie, the engager providing the work does not always make this clear);
 - c) 'accidental' landlords (eg, where someone moves to another part of the country for work and lets the property they own and rents near their place of work) as they may not understand that they have taxable income to report. Others may not understand that in arriving at taxable income they cannot deduct the whole of their mortgage payments and may incorrectly believe that they do not have taxable income to report; and
 - d) where there is confusion about HMRC's criteria for requiring a self assessment tax return including the complexity of trading and property allowances and rent a room relief.
 2. Some taxpayers struggle with the registration process itself. For example, some taxpayers find themselves unable to set up a government gateway user ID because they do not have the very limited types of identification required to do so. In other cases, they may be unable to register because they have not yet obtained a national insurance number. A national insurance number is required to notify and register a self-employment. Those newly arrived in the UK or who have not previously been entitled to a national insurance number will need to go through the application process which sometimes includes a face-to-face interview with the Department of Work and Pensions. The processes could be improved significantly; HMRC should consider a single notification process as part of its work on a single customer record and single customer account and replacing the current CWF1/SA1 online processes.
 3. Some taxpayers may make an active decision not to notify HMRC. The thinking behind the 'Ryan' persona mentioned in the call for evidence is flawed. The persona describes an individual who is evading tax and is doing so consciously despite having signed the declaration on the self assessment tax return. If the agent were aware of the evasion they would be required to submit a suspicious activity report and to disengage the client. A statutory requirement to notify HMRC of a new income stream (which may or

may not form part of an existing trade) is unlikely to persuade such an individual to be compliant. Such a requirement would be a huge administrative burden for HMRC and taxpayers and would probably be unenforceable in practice.

15. Agents are generally aware of the notification deadline and that penalties are not, in practice, charged if the tax due is paid by 31 January following the end of the tax year. However, even some agents are not always fully aware of the detail of the legislation and the distinction between notification as required by the legislation and registering for self assessment which is the way that HMRC expects most taxpayers to comply with the notification requirement.
16. Considerable confusion is created by the fact that the notification requirement and the rather arbitrary criteria that HMRC uses to determine whether a self assessment tax return is required (which are not supported by legislation) are not aligned. For example:
 - There are circumstances in which there is a notification requirement and tax may be due but the self assessment criteria are not met. These include investment income of less than £10,000 and income from property where the net income is less than £2,500 and gross income is less than £10,000. There is little or no guidance on gov.uk about what taxpayers in this situation should do and no online notification process. HMRC expects taxpayers who do not meet the self assessment criteria to notify, we understand by phone or in writing, and then attempts to collect the tax due by amending PAYE codes. The process becomes even more confusing where it is not possible for HMRC to collect the tax due through a tax code. In such cases, HMRC generally reverts to issuing a notice to file a self assessment tax return to collect the tax due. Further adding to the complexity is the fact HMRC uses data from banks and building societies to pre-populate interest in tax codes and P800/PA302 income tax calculations and in practice does not require notification where this data feed satisfies the notification requirement. Even less well understood is the need for taxpayers to update HMRC annually if the amount of income on which tax is being collected through PAYE changes.
 - In other situations, HMRC requires a self assessment tax return where no tax or national insurance contributions are due. For example, where a taxpayer has income from self-employment which is less than the small profits threshold for class 2 national insurance contributions and total income is below the personal allowance threshold, a return is required even though there is no liability. There is some rationale for this as it alerts HMRC to the existence of the trade and allows HMRC the opportunity to enquire into the reported figures. However, the legislation only requires notification where tax is due.
 - The self assessment system is also used to deal with other situations which are largely created by the limitations of the national insurance and PAYE system (NPS) and the lack of investment in simple assessment. For example, tax returns are required where income is more than £100,000 (ICAEW understands that is because NPS cannot deal adequately with abating personal allowances), claims for employment expenses of more than £2,500 can only be made on a tax return and higher rate relief on gift aid and pension contributions is generally only available via a tax return. (Higher rate relief on gift aid and pension contributions is sometimes given through PAYE codes but in most cases the figures are likely to be out of date). The legislation does not include a requirement to notify in these cases. The self assessment system is also used to collect the high income child benefit charge where lack of awareness of the need to notify has been a significant problem.
17. Some of the poorest experiences of individual taxpayers are a result of HMRC having two different systems in which income tax liabilities are finalised (NPS for those in PAYE only and CESA for those in self assessment income tax). These two systems are not properly joined up. A relatively minor change in circumstances can cause people to be moved between these two processes from year to year, often resulting in duplicate (and different) income tax calculations from the two systems. Other problems arise due to the disconnect between the two systems, such as class 2 national insurance contributions not being charged and

processing issues relating to transferrable marriage allowance. Most agents make sure that clients stay in self assessment as it generally provides a better experience of finalising income tax liabilities than NPS.

Question 2 – If you have experienced registration processes across different UK taxes or internationally please tell us more about how they compare. What works well and what could be better?

18. We do not have comments on the registration processes across different UK taxes or internationally.

Question 3 - What are your experiences of closing an ITSA record of self-employment or property income? Is it easy to understand and complete?

19. The main problem with closing ITSA records of self-employment is the taxpayer often being unaware of the need to notify HMRC that a self-employment income source has ceased. They may have disengaged their agent by this time so no longer have their support. They may expect that HMRC will somehow be aware of their change of circumstances (for example, taxpayers who move from self-employment to employment may incorrectly assume that the start of the employment would trigger the cessation of the self-employment in HMRC's systems, the same can apply to those that move from self-employment to benefits).
20. There is an option on the self-employment pages to notify a cessation date, but this does not always seem to trigger a cessation, particularly in NPS. The **guidance** has been improved but the online form is an outdated style of form (structured email/'KANA') with an associated poor user experience. The guidance does not make it clear that agents can use their credentials to submit a form on behalf of a client (the form was put behind government gateway credentials towards the end of 2021 to address a security issue).
21. Cessations of income from property are less of a problem as they can be notified by checking a box on the last tax return with income from property. However, some taxpayers may omit to check this box and checking the box does not always seem to prevent a tax return being issued, particularly where the return is filed close to or after the self assessment deadline when HMRC has already pulled the list of taxpayers who will be issued with a notice to file for the current tax year.
22. Another common problem is HMRC incorrectly closing self assessment records having misunderstood the taxpayer's circumstances or being unaware of a reason why tax returns are still required. This results in unnecessary contact to reregister or the filing of a voluntary return.

Question 4 – What difficulties do taxpayers new to ITSA face in complying with their obligation to notify liability? What are the causes of these issues?

23. The difficulties include those already mentioned in response to question 1 including:
- (a) Situations where there is uncertainty about exactly when a trade started, especially where it develops from a hobby. In some cases, it may not be clear whether there is a trade at all.
 - (b) Situations where there is uncertainty about employment status. Some engagers providing work do not make the status clear; they may make vague statements such as "we'll look after your tax" and it is only later when no payslip is provided that the taxpayer understands that the engager is treating them as self-employed, correctly or otherwise. Some engagers pay through intermediaries, but the arrangement is one of self-employment combined with informal tax withholding and a tax return service.
 - (c) 'Accidental' landlords (eg, where someone moves to another part of the country for work and lets the property they own and rents near their place of work) may not understand that they have taxable income to report. Others may not understand that in

arriving at taxable income they cannot deduct the whole of their mortgage payments and may incorrectly believe that they do not have taxable income to report.

- (d) Confusion about HMRC's criteria for requiring a self assessment tax return, including the complexity of trading and property allowances and rent a room relief.
- (e) Struggles with the registration process itself. For example, some taxpayers find themselves unable to set up a government gateway user ID because they do not have the very limited types of identification required to do so.

In other cases, they may be unable to register because they have not yet obtained a national insurance number. A national insurance number is required to notify and register a self-employment. Those newly arrived in the UK or who have not previously been entitled to a national insurance number will need to go through the application process which sometimes includes a face-to-face interview with the Department of Work and Pensions.

Internationally mobile employees experience difficulties as they have to deal with two different processes, one to obtain a national insurance number and another to obtain a unique taxpayer reference. A unified process would be of benefit.

Taxpayers based overseas experience delays with correspondence being posted overseas including authentication codes that often expire before they are received.

The processes for registration could be improved significantly; HMRC should consider a single notification/registration process as part of the work on a single customer record and single customer account and replacing the current CWF1/SA1 online processes which are outdated.

- (f) The call for evidence does not mention the challenges faced by those who are not digitally enabled and/or digitally confident. Although HMRC's online offering has been improving over time, those that don't have access to the internet or chose not to use it or who struggle with technology also need to comply with their obligations and need to have a channel for doing so. HMRC must provide an equally good service to such taxpayers.
- (g) HMRC often has a considerable backlog of unprocessed self assessment registrations leading to delays in issuing unique taxpayer references (UTRs). This problem was particularly acute in 2021. ICAEW understands that some of this delay arises because HMRC has introduced additional checks to prevent fraudulent registrations and subsequent claims for repayments.

24. There are some specific challenges that relate to registrations made by agents:

- (a) Agents do not have access to the online forms to register partnerships.
- (b) Agents and their clients would welcome a process that combines registration with appointing an agent.

If the registration is for self-employment (CWF1) the agent (even if not yet authorised) can apply online through the agent portal; the UTR is then sent to the taxpayer and only then can the authorisation process be started. The online process is similar for a registration via an SA1 although the form is not available directly from the agent portal. Agents do not receive acknowledgements of these online applications, so can be left wondering whether the application has been successfully submitted and received by HMRC and cannot track the applications online. Agents and taxpayers can phone HMRC to check on the status of an application but where the taxpayer does not have a national insurance number HMRC is unable to trace the application.

To expedite matters and combine registration and agent authorisation, many agents opt for a paper CWF1 or SA1 and send the paper form attached to a paper 64-8 authorising the agent. This can cause issues with processing as the forms are separated and sent to different processing teams within HMRC, with the team that processes the 64-8 being unable to process it until the self assessment registration has been processed and the UTR issued.

Question 5 – How do customers new to self-employment or property income learn about the ITSA registration process and associated tax obligations? What are the issues with this?

25. In general, the system relies on a taxpayer having a sense that they will have tax obligations associated with a new source of income and then seeking advice (online or in person) from a tax agent, HMRC or an organisation such as a trade body, intermediary or other third-party. The key is the taxpayer 'knowing that they need to do something' and then seeking advice from a reliable source. Friends and family will often prompt taxpayers to seek advice but are not usually a reliable source of specific advice. The publicity surrounding the self assessment deadline is important in prompting taxpayers to seek advice.
26. A digital information pack for those starting to receive income from self-employment or property, equivalent to the paper version that HMRC used to issue, would be helpful. We envisage this as a one-stop shop summary where the taxpayer can learn about key obligations and deadlines, record keeping including software options, rules for deductible expenses, trading and property allowances, budgeting, HMRC contact phone numbers (with opening hours) and information on appointing a reputable agent for those that choose to.

Question 6– What challenges do taxpayers experience as a result of the delay between a business starting and the deadline for notification?

27. Overall, the delay does not cause problems.
28. The biggest challenge that a taxpayer may experience is often an unexpectedly high first tax and national insurance bill. This is usually because they are unprepared for it including the first payment on account for the current tax year as well as the balancing payment for the previous tax year (having not made payments on account). It may simply be that they have not been able to budget accurately for the first tax bill.
29. When they start receiving income from self-employment or property, some taxpayers may not fully appreciate the importance of good record keeping.
30. However, notifying HMRC does not currently trigger support with record keeping or budgeting (the information provided by HMRC generally focuses on filing and payment deadlines rather than record keeping). Earlier notification on its own would not address these challenges.
31. Represented taxpayers will be offered advice on record keeping and budgeting for their first tax bill; this is unconnected to the timing of notification.
32. The example in the call for evidence (paragraph 2.3) which states: *“An individual who starts self-employment on 5 April 2020 needs to tell HMRC by 5 October 2020 (6 months). By contrast, an individual who starts self-employment one day later, on 6 April 2020, does not have to tell HMRC until 5 October 2021 (18 months).”* while true is unlikely to reflect reality. Most individuals who start trading on 5 April (or shortly before that) will not need to notify for the tax year ending on that date, due to the availability of the trading allowance.

Question 7 – Are taxpayers clear on what trading is, and when they started or stopped trading? What factors about trading make it difficult to decide whether or not to register?

33. The rules (including the badges of trade and case law) which determine whether there is a trade, when it starts, and when it stops are not straightforward. In many cases it will be clear (or the precise date is not critical) but many other cases require judgement and specific advice rather than general guidance.
34. The thinking behind the 'Ryan' persona mentioned in the call for evidence is flawed. The persona describes an individual who is evading tax and is doing so consciously despite having signed the declaration on the self assessment tax return. If the agent were aware of the evasion they would be required to submit a suspicious activity report and to disengage the client. A statutory requirement to notify HMRC of a new income stream (which may or may not form part of an existing trade) is unlikely to persuade such an individual to be

compliant. Such a requirement would be a huge administrative burden for HMRC and taxpayers and would probably be unenforceable in practice.

Question 8 - What are taxpayers' experiences of interacting with different government departments when starting self-employment?

35. In many cases taxpayers do not interact with other government departments when starting self-employment.
36. The main exception is interaction with the Department of Work and Pensions (DWP) for those that have been, or will be, claiming universal credit or other state benefits. There may be an opportunity for coordination of the registration and reporting process for universal credit and tax (including aligning the different rules for the reporting of income).
37. While guidance and support may be sought from the Department for Business, Energy & Industrial Strategy (BEIS), most taxpayers would see that as distinct from HMRC and their tax obligations.
38. There may be a role for other government departments to signpost HMRC guidance, but we have not identified any benefit in a joined-up registration process (that could lead to the dead weight of registrations of businesses that never actually start trading).

Question 9 – Do you agree that chapter 3 sets out the challenges presented by the current registration system? Are there others?

39. The main challenge not mentioned is that HMRC's systems and processes do not work well. They allow a self-employment record to be set up in CESA without a matching record in NPS for national insurance. They also allow a self assessment record to be set up in CESA without putting a flag in NPS which can result in income tax calculations being issued by both systems. Some of this is timing related (the SA registration may be made after the NPS calculation has already been triggered) and some is a result of an unsolicited (voluntary) SA return being filed. The two systems need to be joined up properly to prevent these problems.
40. Other challenges with the processes are mentioned in our responses to questions 1 and 4 including uncertainty over employment status and difficulties obtaining national insurance numbers.

Question 10 – Are these the right options for changing the obligation? Which is better? Are there others?

41. We do not agree that these options would address the risks mentioned and they could make matters worse.
42. An obligation to register which is based on the date an income source starts or a threshold is passed would be ill advised. For the reasons explained earlier in this response, those dates are too uncertain. There would be huge risk associated with such a requirement, including the possibility of discouraging registration and potentially creating an incentive to provide an incorrect start date. If there were penalties associated with the obligation it could lead to a significant increase in the number of disputes between taxpayers and agents, some of which might result in formal appeals which get to tribunal.
43. A form of registration within a period of the start date has been tried before, for national insurance. There used to be an obligation to notify liability to national insurance contributions within three months of starting a trade. As far as ICAEW is aware the £100 was rarely, if ever, charged and was eventually abandoned in 2009 as it was impractical and unenforceable.
44. Reducing the period after the end of the tax year for notification would similarly lead to more disputes and appeals if there were to be an associated penalty.
45. Currently, failure to notify penalties are (in most cases) based on the tax outstanding on 31 January after the end of the tax year which makes that the effective notification deadline. We suggest that remains the case so that taxpayers have every opportunity to register.

46. The self assessment filing deadline and associated publicity is extremely important in prompting taxpayers to consider their tax obligations. A single date for notification that applies to everyone is much simpler to communicate.
47. If changes are to be made to legislation, consideration should be given to aligning the legal requirement to notify with the requirement to register for self assessment and complete a tax return. We have considered whether the notification requirement needs to be separate from the requirement to file a return and pay the tax due and have concluded that the notification requirement is needed to give HMRC the opportunity to set the record up on its systems and to prevent fraudulent registrations.

Question 11 - What is the right period after the start of the new self-employment or property income for the obligation to be triggered?

48. ICAEW does not support an obligation to register which is based on the start of an income source or a threshold being exceeded for the reasons explained in answers to earlier questions.

Question 12 - Do these ideas for using intermediaries and third party data to improve tax registration merit further exploration? Are there others?

49. We agree that using intermediaries and third parties to identify taxpayers who might have a notification/registration obligation would be worth exploring. However, we suggest that they be used to signpost to a professional adviser or HMRC support and guidance rather than playing a direct role in the process. Timing of notification by a third party would be variable and, in any case, not every taxpayer interacts with an intermediary before setting up their new business. HMRC could use data received from intermediaries as an indication of a new source but not as a legal basis for registration.
50. Taxpayers may interact with local authorities or other licencing authorities where they need some form of licence to operate. Many taxpayers do not open a business bank account at the outset which may limit the usefulness of that option.
51. The best opportunities for using third party data probably relate to income from property because of the tangible nature of the asset. Historically, failure to notify income from property is a bigger problem than notifying income from trading. There have been moves in Wales, Scotland and some English local authorities towards introducing a register of let property. HMRC should consider coordination with such developments.
52. Care is required to ensure that information provided by intermediaries is accurate. For example, ICAEW recently alerted HMRC to the fact that information being provided by Rent Smart Wales on their compulsory course for landlords was incorrect (it included information on a tax relief that was withdrawn in 2015).

APPENDIX 1

ICAEW TAX FACULTY'S TEN TENETS FOR A BETTER TAX SYSTEM

The tax system should be:

1. **Statutory:** tax legislation should be enacted by statute and subject to proper democratic scrutiny by Parliament.
2. **Certain:** in virtually all circumstances the application of the tax rules should be certain. It should not normally be necessary for anyone to resort to the courts in order to resolve how the rules operate in relation to his or her tax affairs.
3. **Simple:** the tax rules should aim to be simple, understandable and clear in their objectives.
4. **Easy to collect and to calculate:** a person's tax liability should be easy to calculate and straightforward and cheap to collect.
5. **Properly targeted:** when anti-avoidance legislation is passed, due regard should be had to maintaining the simplicity and certainty of the tax system by targeting it to close specific loopholes.
6. **Constant:** Changes to the underlying rules should be kept to a minimum. There should be a justifiable economic and/or social basis for any change to the tax rules and this justification should be made public and the underlying policy made clear.
7. **Subject to proper consultation:** other than in exceptional circumstances, the Government should allow adequate time for both the drafting of tax legislation and full consultation on it.
8. **Regularly reviewed:** the tax rules should be subject to a regular public review to determine their continuing relevance and whether their original justification has been realised. If a tax rule is no longer relevant, then it should be repealed.
9. **Fair and reasonable:** the revenue authorities have a duty to exercise their powers reasonably. There should be a right of appeal to an independent tribunal against all their decisions.
10. **Competitive:** tax rules and rates should be framed so as to encourage investment, capital and trade in and with the UK.

These are explained in more detail in our discussion document published in October 1999 as TAXGUIDE 4/99 (see <https://goo.gl/x6UjJ5>).