

# Loan charge: what is happening

## General Features

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There has been a lot going on around the loan charge – here we try and bring you up to date with the latest developments.

In early September, Boris Johnson announced a review of the loan charge, saying, ‘It is a very, very difficult issue and what I have undertaken to do is have a thorough going review.’

On 11 September, [GOV.UK](#) gave details of an independent review of the loan charge to be led by Sir Amyas Morse. The review would consider whether the policy is an appropriate way of dealing with disguised remuneration loan schemes used by individuals ‘who entered directly into these schemes to avoid paying tax’. (We were later able to clarify that this actually refers to all individuals who entered into disguised remuneration avoidance schemes while they worked for different end clients or engagers – including those who may not have entered into these schemes knowingly, for example via agencies or umbrella companies.)

The announcement was accompanied by a [document](#) setting out what the review means for people affected by the loan charge, and some Terms of Reference specifying that the review will report and provide independent recommendations to the government by mid-November – leaving time for people to meet the 31 January 2020 tax return deadline, if necessary.

CIOT and LITRG met with Sir Amyas on 14 September. The CIOT’s input to Sir Amyas was fully consistent with, and largely drawn from, the explainer that has been recently posted on the [CIOT blog](#).

LITRG focused on explaining how certain agency workers may have inadvertently found themselves in loan arrangements and about the work we have been doing to try and help people make sense of the loan charge and HMRC’s guidance and communications.

LITRG subsequently [helped publicise](#) the fact that the review team were interested in receiving written submissions from a wide range of people affected by the loan charge and provided tips to help people, who may never done anything like this before, to make a submission. We also followed up our meeting with Sir Amyas by making a written submission, recording some key points from our discussion and contributing a few additional thoughts. We will publish our submission on our website once the review reports.

HMRC have said that they will confirm what the next steps will be if there are any changes to the loan charge, following the government’s response to the review. However, it is important to remember that while the review is being undertaken the law on the loan charge as it stands remains in place.

In particular, this means that people who have not already settled with HMRC or who are waiting to finalise their settlement with HMRC should have completed an additional information return by 30 September 2019. If you have any clients that missed this deadline, the return can and should still be completed. See our previous [Tax Adviser article](#) and [recent FAQs](#) on the additional information return, for further help and guidance.