

# Welcome from the editor-in-chief, June 2016

Welcomes

01 June 2016

## A question of tax trust

On 10 May, the annual CTA address was given to a packed house at One Great George Street by Professor Judith Freedman. I have been to many previous lectures, all of which have been very enlightening, but I admit that this year's struck a nerve with me. That evening, I left with a hope that Professor Freedman had ignited a ticker-tape towards change. The focus of her address was the trust of taxpayers in governments and revenue authorities. As I noted in my April editorial, I find that one of the biggest issues that my clients have with the tax system is a fear of getting things wrong and this often stems from a distrust they have of HMRC. Professor Freedman contemplated how we might create or restore trust in HMRC following the recent debates, revelations and criticisms. You can read an [abridged version of the address](#).

## Looking back over the bridge

In the past 15 years around 100,000 people, some very vulnerable, have had their lives improved – indeed, in some cases, turned around – because TaxAid was able to help them. During that time, Rosina Pullman has been at the helm, and as she passes on the baton, she reflects on some of the people she has met and who TaxAid has helped.

## Corporate dividend exemption

This month we welcome the first of another cohort of CIOT prizewinners to take us back to basics with a look at an area which interested them in their studies. Stuart Pibworth explains that the corporate dividend exemption is far from straightforward. He warns advisers not to fall into the trap of assuming that the exemption is available simply because it was anticipated that it would be available when a structure was established.

## Life after Lobler

The tax regime governing the taxation of part surrenders of life insurance policies has drawn severe criticism from the First-tier Tribunal in several cases. In the Upper Tribunal case of Lobler, a tax charge of around £350,000 arose, yet the taxpayer made only a small economic gain. The case was found in favour of the taxpayer and as a result, on 20 April 2016, HMRC published a consultation document, inviting views on three options for change. Hui Ling McCarthy reviews the consultation.

## Identifying the boundaries

Stephen Woodhouse considers the effect of the tax avoidance debate on share plan design and identifies the boundaries of appropriate planning and perceived abuse. As he explains, the focus should be on delivering

incentives to make full use of the intended reliefs offered by tax legislation while balancing the interests of participants with other stakeholders.