

Disappointment at OTS abolition

Briefings

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CIOT and ATT have both expressed disappointment at the Chancellor's announcement that the Office of Tax Simplification is to be abolished.

The government announced in the September mini-Budget that: 'Instead of having a separate arm's length body oversee simplification, the government will embed tax simplification into the institutions of government. It will therefore abolish the Office of Tax Simplification and set a mandate to the Treasury and HMRC to focus on simplifying the tax code.'

John Barnett, chair of the CIOT's Technical Policy and Oversight Committee, called the decision 'hugely disappointing'. He said the OTS had done superb work since it was set up 12 years ago. 'That the OTS's most ambitious suggestions have been ignored - or, at worst, that Chancellors have used the OTS as a parking lot for the too-difficult-to-implement - is down to the decisions of ministers rather than the OTS.'

Barnett queried what 'setting a mandate to the Treasury and HMRC to focus on simplifying the tax code' will mean in practice. 'If it means ministers and senior officials placing a higher priority on simplicity in the tax system that is very welcome. However, we find it hard to see how abolishing the OTS, the independent body with a mission to review the tax system and recommend simplifications, will make that more likely.'

Senga Prior, Chair of ATT's Technical Steering Group, said the axing of the OTS was a shock. She noted that the OTS currently draws effectively on the skills and expertise of those working in tax outside HMRC and the Treasury when making its recommendations for simplification. 'We are concerned that these views will be heard less and even potentially sidelined when the OTS is disbanded,' she added. 'The OTS was accessible and easy for professional bodies and other stakeholders to liaise with because of its many focus groups and keenness for views of those working in tax outside of government.'