



CONSULTATION ON CHANGES TO HMRC STATISTICS PUBLICATIONS

Issued 12 January 2023

ICAEW welcomes the opportunity to respond to HMRC's [consultation on changes to HMRC statistics](#) published on 24 October 2022, a copy of which is available from this [link](#).

Publication of high-quality financial data on taxation is important not only to the accountability of HMRC to Parliament in how it collects taxes on the public's behalf, but also in providing essential information on economic activity in the UK and on the UK's public finances to a wide range of users.

- We welcome HMRC asking for input before making changes to its statistics.
- We support the majority of the suggested changes.
- On creative industry statistics, we support the use of the accruals basis.
- We concur with providing concise commentaries accessible to a wider range of users, especially in monthly statistics.
- We agree with standardising the number of years presented in summary charts and tables but believe additional charts showing long-term trends may also be helpful.

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For questions on this submission please contact us at representations@icaew.com quoting REP 02/23.

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This response has been prepared by ICAEW's Public Sector team and by the ICAEW Tax Faculty. The Public Sector team within ICAEW's Reputation & Influence department supports members working in and with the public sector to deliver public priorities and sustainable public finances, including over 10,000 in ICAEW's Public Sector Community. ICAEW engages with policy makers, public servants, and others to promote the need for effective financial management, audit and assurance, financial reporting, and governance and ethics across the public sector to ensure public money is spent wisely.

Internationally recognised as a source of expertise, the ICAEW Tax Faculty is a leading authority on taxation and is the voice of tax for ICAEW. It is responsible for making all submissions to the tax authorities on behalf of ICAEW, drawing upon the knowledge and experience of ICAEW's membership. The Tax Faculty's work is directly supported by over 130 active members, many of them well-known names in the tax world, who work across the complete spectrum of tax, both in practice and in business. ICAEW Tax Faculty's Ten Tenets for a Better Tax System, by which we benchmark the tax system and changes to it, are summarised in Appendix 1.

DETAILED CONSULTATION RESPONSES

Discontinue or reduce frequency of publication

1. **Income Tax, NICs, tax credits and Child Benefit statistics for non-UK nationals:** We agree with discontinuing statistics on tax credits for non-UK nationals given the reduction in the number of tax credit claimants. However, we believe that aggregate information on income tax and national insurance paid by non-UK nationals is useful, ideally as part of income tax and national insurance summary statistics.
2. **Insurance Premium Tax:** We have no objection to the frequency of this publication being reduced from twice yearly to annually.

Changing the publication date for publications

3. **Monthly property transactions:** We concur with shifting publication to the end of the month to permit additional data to be included and reduce the reliance on estimation.
4. **Government revenue from UK oil and gas production:** We concur with shifting publication from July to September of each year to enable North Sea Transition Authority data to be included.

Reduction in coverage of publications

5. **Income tax liabilities statistics:** We have no objection to table 2.7 being discontinued.
6. **Private pension statistics:** We have no objection to discontinuing table 1. We have no view on tables 2.1 or 2.2, which may still be useful to some users.
7. **Annual savings statistics:** We concur with the proposed change.
8. **Creative industries statistics:** We have no specific objections to the discontinuance of tables 1.1, 2.1, 3.1, 4.1 and 5.1.

We believe that accruals-based statistics are of more value than receipts as the latter is distorted by the timing of claim submissions, reducing comparability between periods. Accruals-based data also enables the statistics to be more easily compared with industry and economic data for the periods reported. A summary table reconciling the total amounts receivable under each scheme to the total amounts disbursed should suffice for those interested in the cash amounts paid out in each period.

9. **Research and Development Tax Credits:** We concur with the dropping of detailed geographical and sectoral analyses in the supplementary tables given that comprehensive data is not available due to disclosive items at this level of detail. It is important that regional and sectoral analyses are retained in the main tables.

10. **Child and Working Tax Credits error and fraud statistics:** We concur with these changes, although it may be appropriate to continue for two more years until the levels to tax credit claimants have reduced even further. Data on error and fraud remains of significant importance to users.
11. **Overseas trade in goods statistics release:** We concur with the idea of more concise commentaries that make statistics more accessible to a wider readership. This is particularly the case for monthly statistics where the level of 'new' information each month is limited. Each of the publications noted would benefit from more concise commentaries, subject to providing an annual release that contains more extensive commentary and annual trends.

Expanding the coverage of publications

12. **Corporation Tax receipts, liabilities and Bank Levy:** Aligning with SIC codes could be an improvement as they provide a standardised approach that should in theory aid comparability with other statistics. However, many businesses have multiple SIC codes and there are other issues with how SIC codes are used in practice, and so this change may be challenging to implement in practice.
13. **Payrolled employments in the UK by region, industry and nationality:** We would welcome the addition of age, nationalities, and more recent arrivals to this analysis. However, we believe it would be helpful if you could work with the ONS to agree standardised lists and categorisation of nationalities and countries to improve comparability across different statistics, in particular the treatment of British overseas dependencies in statistics. We have no view on whether these statistics should be published more frequently than annually.

Consolidation and improvements of publications

14. **Child Benefit statistics:** We concur with the proposed consolidation into a single release and the improvements suggested, although disappointed about the longer time it will take to release the proposed publication.
15. **Child and Working Tax Credits statistics:** We agree that it would be better to publish one data file with all geography information. We support the idea of interactive online platforms but would suggest that further work is required to standardise data file formats to maximise the number of tax statistics that can benefit from this approach.
16. **Finalised awards:** We concur with the proposed consolidation.
17. **Provisional awards:** We have no specific view on this proposal.
18. **Longer term strategy for publishing statistics on Child and Working Tax Credits:** We agree with the need for a longer-term strategy on child and working tax credits given the migration of most claimants to Universal Credit. Aggregate level data is likely to be needed for so long as tax credits continue to be paid.
19. **Inheritance Tax statistics:** The suggested changes appear reasonable.
20. **Statistics on non-domiciled taxpayers in the UK:** We concur with using a standard number of years for the majority of the tables and charts in the release in order to aid comparability between the different statistics presented. However, we would suggest providing one or two additional charts showing overall trends over longer time periods.
21. **Statistics on trusts:** See our comment above on standardising the number of years. We concur with the other changes.
22. **Charity Tax Relief statistics:** We would suggest adopting a similar approach to standardise the number of years presented in most tables, potentially with an additional table to show long-term trends. We think there may be merit in retaining tables 6a and 6c on donations by

income source and by donation amount as this data would appear to be of public interest, unless similar information is available from other sources.

We would welcome the opportunity to discuss our submission with you if that would be helpful.

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>).