Response from ICAS to the Revenue Scotland consultation

‘Charter of Standards and Values’

6 March 2015
Charter of Standards and Values – A Consultation Paper

About ICAS

1. The Institute of Chartered Accountants of Scotland (ICAS) is the oldest professional body of accountants. We represent over 20,000 members who advise and lead businesses. Around half our members are based in Scotland, the other half work in the rest of the UK and in almost 100 countries around the world. Nearly two thirds of our members work in business, whilst a third work in accountancy practices. ICAS members play leading roles in around 80% of FTSE 100 companies. ICAS is also a public interest body.

General comments

2. ICAS welcomes the opportunity to comment on the consultation ‘Charter of Standards and Values – A Consultation Paper’ issued by Revenue Scotland on 26 January 2015.

3. Overall, ICAS considers that a Charter of standards of behaviour and values is helpful in setting the tone of conduct between taxpayers and the state and that in general the obligations should be mutual between the two parties. The mutuality of obligations is reflected in the draft Charter.

4. It is tempting to say that the contents of the Charter should be legally binding with remedies for any breach, however, as it has to comprise of standards and values this is not possible. For example, one of the most important elements in good conduct is the need for both the tax authority and taxpayers to treat one another with respect, courtesy and consideration, but this cannot be legislated for, nor can failure to adopt such manners be successfully pursued in a court or tribunal. The fact that section 10 RSTPA 2014 requires a Charter does however mean that the Charter itself is enshrined in the law.

5. ICAS welcomes the draft Charter, which is brief, is principle-based, and in plain English. It is noted that many of the points already raised by ICAS in informal discussions have been incorporated in the draft issued for consultation, so these comments are rather brief.

Consultation questions

1. Do you think the obligations and responsibilities on Revenue Scotland (and SEPA and RoS in relation to the functions delegated to them by Revenue Scotland), as set out in the draft, are appropriate?

   Yes, the obligations and responsibilities are considered to be appropriate.

   The statement that Revenue Scotland will ‘bring to account those who act dishonestly and try to evade paying tax’ should not have such a high ranking in the list because this sets too strong an emphasis or tone on non-compliance: it should be positioned towards the end of the list.

2. Do you think the obligations and responsibilities on taxpayers and their agents and representatives, as set out in the draft, are appropriate?

   Yes, the obligations and responsibilities are considered to be appropriate.

   The heading ‘Taxpayers (their agents and representatives) will’ should be redrafted to ‘Taxpayers (their agents and representatives) are expected to be’.
3. **Do you have any suggestions about how Revenue Scotland should raise awareness of the Charter and encourage its use by Revenue Scotland staff, taxpayers, their agents and representatives?**

The Charter should be available in a prominent site on the Revenue Scotland website, it could also be mentioned with a link in correspondence (both paper and electronic), and in automated email replies etc.

4. **Do you have any other comments you would like to make?**

It would be helpful to have a preamble to remind taxpayers that Revenue Scotland is tasked with administering the law as laid down by Parliament, and that taxpayers are expected to accept the responsibility to understand their tax compliance duties and seek assistance where necessary.

Rather than simply reviewing the Charter from time to time, it would be helpful if there was a regular review, say, every four years.

The Scottish Public Services Ombudsman (SPSO) commentary indicates that the SPSO cannot normally look at complaints ….that have been or are being considered in court. This should be amended to include complaints that have been or are being considered in the tax tribunal.