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PROGRAMME OF GUIDANCE IMPROVEMENTS

5.1 HMRC has committed to a programme to revise and update the various forms of guidance of relevance to large business. In collaboration with business, outdated guidance will be updated to reflect changes in legislation and the evolving commercial landscape. It will also include relevant practical examples which illustrate HMRC's view of the application and the interpretation of the law, and on which business can rely.

5.2 The programme for 2007/2008, detailed below, has been agreed in consultation with business. It builds on an existing maintenance programme, as part of HMRC's strategic commitment to making it easier for taxpayers to pay the right tax at the right time, and so improving their experience of dealing with us as an organisation.

5.3 Publishing our programme marks a step forward in our commitment to earlier, closer and continuing consultation with business, as an integral part of producing guidance, and in line with our commitment in HMRC's Consultation Framework (Proposal 9, Chapter 4). We expect this to deliver significant benefits in terms of understanding commercial practices and aligning tax requirements and processes with them better, to minimise compliance and administrative costs for both sides.

5.4 This continuing dialogue, not only with our business customers but with greater collaboration across our policy and operational units, means that the guidance programme should remain a living document that evolves as HMRC and business learn more about their respective needs, and that responds to commercial and legal developments.

5.5 We have started discussions to adapt our approach when developing new legislation by building earlier involvement with large business into the process. Earlier consultation will secure timely focus on the practicalities of implementation and should enable HMRC to align its requirements more closely with standard business procedures and commercial practice. Business will have a much better understanding of the impact on them. Their input should lead to clearer, more effective guidance that will provide greater certainty on the tax implications of both complex and routine issues.

5.6 The impact of our improved guidance will be measured through continuing dialogue and discussion with large business. We are exploring ways of gathering more structured feedback, which we will develop over the coming months.

PROGRAMME OF PLANNED IMPROVEMENTS TO HMRC GUIDANCE (PROPOSAL 10)

Spring 2007

- **Capital Gains Manual** – Targeted anti-avoidance rules (from Budget 06).
- **Construction V1-08** – existing guidance will be updated.
- **Corporate Finance Manual** – bring up to date guidance on Derivatives and Structured Finance Legislation (FA06). New guidance on Islamic Finance.
- **Guidance on UK REITs** – new up to date guidance.
- **Savings and Investment Manual** – new guidance, which will include deduction of tax at source.
- **Tobacco Products Duty, Notice 476** – update to reflect recent changes in law and policy.

Summer 2007

- **Business Leasing Manual** – new guidance bringing together material from Finance Leasing Manual and Business Income Manual, updating for FA04 and FA06 (leasing reform and sale of lessors).
- **Life Assurance Manual** – update. Structure and style will also be changed.
- **Partial Exemption V1-15** – update.
- **Aggregates Levy AGL1**
- **VAT Liability V1-07** – Insurance (chapter 17) updated to reflect changes to VAT exemption; Finance (chapter 20) will be re-written.

Autumn 2007

- **Climate Change Levy CCL1, CCL1-3, CCL1-4** – Simplification of processes.
- **Corporate Finance Manual** – Minor updates, including loan relationships and derivative contracts.
- **V2-01 Insurance Premium Tax (IPT)** – Update and restructure for internet publication.
- **VAT Place of Supply V1-4** – to be updated and restructured for internet publication.
- **VAT Place of Supply of Services PN741** – to be updated and merged with PN744D (International Services).
- **Stamp Duty Land Tax Manual** – Updating for new legislation and chapter on Scottish Leases.
- **Transfer pricing enquires** – Guidance on the comprehensive approach under Varney proposal 5.
- **Advance Rulings** – new guidance under Varney proposal 1.

Winter 2007/2008

- **Company Tax Manual** – update material on purchase of own shares and new material on management expenses.
- **Landfill Tax LFT1 (general guide) LFT2 (reclamation of contaminated land)** – Tightening existing guidance on record keeping to support claims for landfill tax credit. Part of general policy review in this area. Contaminated land exemption under review as part of Budget 07.
- **Stamp Taxes on Shares Manual** – new.

(This list will be updated as part of our ongoing programme of guidance improvement).