

What we have delivered since November 2006

Greater certainty

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| Advance agreements
(Proposal 1) | <ul style="list-style-type: none">• A new Advance Agreements Unit launched October 2007. |
| Extension of the clearance process (Proposal 2) | <ul style="list-style-type: none">• New guidance and a pilot, leading to full launch in April 2008. |
| Clarity on statutory clearances (Proposal 3) | <ul style="list-style-type: none">• Summary table and contact details published March 2007. |

Efficient risk based approach

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| Risk management of business taxes (Proposal 4) | <ul style="list-style-type: none">• Guidance and framework published.• Nearly 40% of our very largest businesses supported to become low risk.• Deployment of resource to our highest risk businesses. |
| Transfer pricing (Proposal 5) | <ul style="list-style-type: none">• New framework published, effective from April 2008.• Transfer pricing specialists and an internal Review Board appointed. |
| Employer compliance
(Proposal 6) | <ul style="list-style-type: none">• For our largest businesses: cessation of cyclical reviews and the opening questionnaire; focus on dialogue around risks and governance; appointment of employer specialists. |

Speedy resolution of issues

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| Relationship management and resolution of issues
(Proposal 7) | <ul style="list-style-type: none">• Clarity on the role of Client Relationship Managers and escalation routes, for our largest businesses.• Extension of Relationship Managers to other large businesses. |
| Resolution of historic issues | <ul style="list-style-type: none">• 79% of low risk issues settled by 31 |

(Proposal 8)

March 2008, for our largest businesses.

- Agreed Action Plans in place for the resolution of all open issues by 31 March 2008.

Clarity through effective consultation

A new consultation framework (Proposal 9)

- Consultation Framework published.
- Consultative forums reviewed and details published on our website.
- Business Tax Forum mandate and membership refreshed.
- Impact Assessment review mandatory for policy and process designers.

Improving our guidance (Proposals 10 & 11)

- Early consideration of operational guidance now mandatory for policy and process designers, consulting with business where possible.
- Rolling programme to update existing guidance.

Shared understanding of UK tax environment (Proposal 12)

- Panel of international expertise on tax administration is being convened.

Working together to build a professional relationship

Professional skills and commercial understanding (Proposal 13)

- New training programme, including professional skills and customer focus.
- Joint seminars with the private sector.
- Review of secondment initiatives under the guidance of a new private sector panel.
- 5 days professional development each year is now mandatory for tax professionals.

Structured feedback mechanisms (Proposal 14)

- Publication of research on our customers' experience of doing

business with us.