



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Alison Thewliss MP  
House of Commons  
London  
SW1A 0AA

13 January 2022

Dear Alison,

**FINANCE BILL: CLAUSES 95 and 96**

Thank you for your question at the Finance Bill Public Bill Committee on 11 January, in relation to Clauses 95 and 96, regarding how the retrospective effect of Clause 95 will impact Gift Aid.

HMRC may use its discovery provisions to pursue tax it finds ought to have been assessed in respect of excessive Gift Aid claims to relief. As with other tax issues, HMRC takes a proportionate compliance approach to Gift Aid, which could include light touch education and guidance for taxpayers, through to full audit checks on the claims and tax returns of charities claiming Gift Aid from HMRC. This preserves the integrity and fairness of the Gift Aid scheme for all charities.

The legislation in this Finance Bill removes any doubt or challenges that existing Gift Aid discovery assessments are valid where the tax assessed arises from an individual's failure to notify HMRC that they are liable to tax and submit a tax return. Charities themselves are not affected.

I am copying this letter to the Chairs and other members of the Public Bill Committee and depositing a copy of this letter in the Library of the House.

Yours sincerely,

A handwritten signature in black ink that reads 'Lucy Frazer'.

THE RT HON LUCY FRAZER QC MP