



Corporate Services Scrutiny Panel
Revenue Administration (Jersey) Law 201-
**Witness: Partner and Head of Tax for Ernst &
Young**

Tuesday, 5th February 2019

Panel:

Senator K.L. Moore (Chairman)

Deputy S.M. Ahier of St. Helier (Vice-Chairman)

Connétable K. Shenton-Stone of St. Martin

Witnesses:

Partner and Head of Tax for E.Y. (Ernst & Young)

[10:01]

Senator K.L. Moore (Chairman):

I am sorry for the delay but we have got our technical hitches sorted out. Welcome to the Corporate Services Scrutiny Panel hearing. We are really grateful, firstly, for your submission but also for coming in today to help clarify some further issues with us. So we will start with the formal introductions for the record. So I am Senator Kristina Moore. I am the Chairman of the panel.

Connétable K. Shenton-Stone of St. Martin:

I am Constable Karen Shenton-Stone and I am a member of the Corporate Services Scrutiny Panel.

Deputy S.M. Ahier of St. Helier (Vice-Chairman):

Deputy Steven Ahier, Vice-Chair.

Scrutiny Officer:

Simon Spottiswoode, Scrutiny Officer.

Partner and Head of Tax for E.Y.:

Wendy Martin, Partner and Head of Tax for E.Y. in the Channel Islands.

Senator K.L. Moore:

Thank you. So, firstly, are you also aware of the rules that are beside you, the notice?

Partner and Head of Tax for E.Y.:

Yes, thank you.

Senator K.L. Moore:

Thank you. Members of the public, I think, are all aware of our rules of engagement for them so (inaudible) on. We are looking specifically at the Revenue Administration draft law at the moment and in your submission to us you state: "That the law does not address the current lack of taxpayer protection." So we wondered if you could just expand on that to start with please.

Partner and Head of Tax for E.Y.:

Yes, certainly, and thank you for the opportunity to come and speak to you. May I start with a slightly separate comment because there have been some developments since I submitted my letter? Firstly, I would like to say that I do support the move towards having a draft administration law. Sorry, I have glasses I need for reading but then I cannot see you. We have been calling for a sort of taxes management act for quite some time so we are supportive of that and also supportive of the efforts that the taxes office is going to make some changes. I mentioned in my letter that there had been a commitment by the Comptroller of Taxes to give us a bigger picture by the end of January and where the next steps might come or what they might look like. He has delivered that. Well, it was delivered by the deputy comptroller at a meeting with a fiscal strategy group last week. It sets out their plan for administration for the next 3 to 4 years so there is a commitment there. My only doubt, I suppose, which is reflected in my letter, is that it does not give a tight timeline, it is all indicative, and so while I absolutely appreciate the fact that they have committed to take certain other measures, and they are the measures that we would like to see, there is still a slight concern as to whether they will be able to deliver it and what I mean by that, and I did have that in my letter as well, was; will they have the resource to do it? Will something else come in that will push these other commitments to the side, which has happened in the past quite a lot, particularly when States Members come up with other ideas and other taxes that they want to have looked at or other reviews. The Taxes Office is in a very difficult position in that the Minister will commit to do reviews and it does sideline then all of the other things they had previously committed to. So it would be really helpful if we could have a firm commitment, and if something else does come up in the future, it is

recognised that that may push something else aside and perhaps there should be agreement by the States that if they do approve a new commitment or a new review they agree which things should then be pushed to the side because the Taxes Office do not have limitless resource. They are very resource constrained. That has been the sort of the way it has operated for the last few years which does cause concern about the ability to deliver.

Senator K.L. Moore:

That is very helpful because we, ourselves, have been asking about commitments to timelines because we have been told that certain elements, such as the window, would be forthcoming in the second tranche of the law but again we have not received a timeline either. It is interesting that you were told 3 to 4 years because we were hoping for a much shorter window ... well, for a much shorter timespan in terms of pushing on with the next phase and ...

Partner and Head of Tax for E.Y.:

Well, there is stuff in 2019 but there are other things that go out to 2021, which is 2 to 3 years rather than 3 to 4, so apologies.

Senator K.L. Moore:

We will seek further guidance from the office of the controller.

Partner and Head of Tax for E.Y.:

Yes. No, absolutely and we have requested a timeline. We have not seen it yet but to be fair we only had the meeting last week. I think in terms of the lack of current taxpayer protection, a lot of it is around the document production powers and, as the comptroller mentioned in his response to our responses, there has always been the power to ask for documents to be produced by taxpayers in Article 16A as an example and that, he also rightly says, does not have any taxpayer protection. There is no right to appeal. The reason for that ... and I will be clear and say that I was not around at the time that 16A was brought in but from discussions with other people that were, that was brought in as a tool of last resort, if you like, and was not expected to be used, other than in very egregious cases. I think that was demonstrated in that it was only used once by the Taxes Office before the new comptroller came into power. So there was not so much concern in the industry, the tax agent industry, that that power might be perhaps misused or used when it did not need to be used and so there was not necessarily a concern that we did not have a taxpayer protection there. Article 26, which is the one that I have raised specifically in my letter, goes further and is a further production power that the comptroller has without any right to appeal. I think he said: "Well, there has never been a right to appeal so we do not need it." Again he says in his submission: "That Article 16A will only be used as a mechanism of last resort." I am afraid to say that is not the case and I have got real examples of when it has just been used as a tool of first resort. I have an example

of a client who submitted their tax computation, an inquiry was raised on a very timely basis by the Taxes Office, which is very appreciated, and that was raised in November ... I have got the dates here ... 22nd November 2017. We then had an Article 16A production notice issued on 15th February 2018, so less than 3 months from the original request for information. Now, you might think: "Okay, surely a taxpayer could provide this information in 3 months." The amount of information was extensive. The information was held by the head office of the company, so not here in Jersey, so it is quite difficult to get hold of sometimes, and also there was no warning that the notice was going to be issued. We were not contacted again saying: "You still have not responded. If you do not respond within say another couple of weeks I am going to issue a notice." Given that these notices were not used commonly it is not something that we would expect. So I think his comment to say: "That this is only used in cases where there is an unresponsive taxpayer or someone is significantly delaying responding", is disingenuous because they are being used very regularly.

Senator K.L. Moore:

Without obviously wanting to draw too much information about the specific case, were the circumstances of the request particularly unusual or something that would have given good cause for that 16A?

Partner and Head of Tax for E.Y.:

Most of the requests, no. Part of my response to the investigator at the time was: "I do not understand why you are asking for this information." Some of it related, for example, to capital gains ... we do not have capital gains tax in Jersey ... so I did not understand why he was asking for that information. Others were relating to disposals of other assets that qualify for capital allowances for example. So it was a lot of information that did not seem to be particularly relevant although there is no harm in them asking for it. That is absolutely fine. There was one particular point that was absolutely relevant and then became part of a longer discussion in terms of whether it was, you know, an appropriate discussion but I think the vast majority of it was really unnecessary but that is my view and obviously the investigator was asking for a particular reason and it just was not clear.

Senator K.L. Moore:

Okay, thank you. That is very helpful. You mentioned earlier that in your knowledge this 16A had only been used once until the current controller came in. In your discussions with colleagues are you aware of any other instances where these powers have been used in recent times?

Partner and Head of Tax for E.Y.:

Yes, definitely. It was quite interesting that there was a sort of a bit of a flurry of notices issued and we raised this with the comptroller because, as I mentioned, when the law was first brought in it was

understood by the then comptroller and commented by the then comptroller that it was going to be used only in very egregious cases and was not expected to be used very much. Suddenly there were a number of us suddenly getting these notices. So I mean at the time ... and this is going back to the end of last year ... I think there were maybe 10 that had been issued. Somewhere between 5 and 10 that had been issued in a fairly short period of time. We raised it with the comptroller and the response was: "Well, do not worry it is not going out to the bigger agents" and the vast majority of them had come to me and one of the other big 6. So there seems to also be a lack of understanding or knowledge as to how this is being used, which again is quite surprising because it is the comptroller that has to sign those notices out. So there were a number. It is not just the one that I received. As I say, the amount of information that has been requested, I understand from other colleagues, is significant. I mean it amounted to several boxes and hundreds and thousands of pages of information, which of course is going to take time to gather and then to copy and then to produce and I think there is a feeling that, again, insufficient time is given but also it is not targeting those that are significantly delaying responding.

Senator K.L. Moore:

I see. Thank you. You also mentioned in your submission, and others have also, that you recognise that it is time for a change and is time for a new law. What was it that you hoped to see in the new law?

Partner and Head of Tax for E.Y.:

I hoped to see balance. Yes, I have no issue with the comptroller having the power to force taxpayers to provide information when it is due, force them to submit their returns and force them to pay the tax when it is due. I have also said historically that our whole assessment process and the imposition of penalties and things for the late payments of tax just is not the right method and we have had late interest and things like that so I am absolutely supportive of all of that. What I had hoped to see is not just an increase in power to the comptroller but the ability for a taxpayer to challenge or to appeal against either a demand or an assessment or an inquiry if they thought it was inappropriate and that is just not there.

The Connétable of St. Martin:

Leading on from that what sort of appeal process would you like to see?

Partner and Head of Tax for E.Y.:

Just the ability to appeal. For example, on Article 26 in the draft law and 16A there is no ability to appeal at all. So obviously you would not want the situation where a taxpayer just willy-nilly appealed because they felt like it and they just wanted to delay and could not be bothered to respond to the Taxes Office but again the comptroller has the power to stop that happening anyway. If an appeal

was done without good grounds or proper grounds then that appeal gets put aside and that can happen. So there is no risk of a taxpayer abusing the situation if they do have the ability to appeal.

The Connétable of St. Martin:

The Controller of Taxes has said to us: "That allowing appeals could lead to destructive or richer taxpayers delaying or frustrating investigations." Is this a valid concern in your experience?

Partner and Head of Tax for E.Y.:

I do not understand the connection to a "richer taxpayer". Perhaps he thinks that is because they will have an adviser that will deal with it.

The Connétable of St. Martin:

Yes, and they would have more funds to ...

Partner and Head of Tax for E.Y.:

No, as I say, you have to have proper grounds for appeal and so me, as a tax adviser, I would not submit an appeal on behalf of my client unless there were proper grounds to do so. I have to comply with a code of conduct. There are certain rules. My qualification and the institute that I work for, or the company that I work for, have codes of conduct and I cannot do that. It would be inappropriate for me to do so. As I say, he has the power to put that appeal aside if it is not for genuine reasons.

The Connétable of St. Martin:

Thank you. Is there a compromise position that could be arrived at such as greater oversight of notices to produce records prior to them being issued?

Partner and Head of Tax for E.Y.:

Yes. I do not think it necessarily needs to go that far and what I would not do is to tie the comptroller's hands so if he felt he had to go to the commissioners every time he wanted some information that would not be helpful to him.

[10:15]

It provides an element of safety, absolutely, from the taxpayer's perspective but I think it can be dealt with more simply than that and just allowing an appeal and an appropriate appeal with reasonable grounds.

The Connétable of St. Martin:

Thank you. Just moving on slightly. Do you have any concerns about the wording of this part of the law, Article 26, which is cast widely rather than only providing a power to serve notice for documents for cases where fraud or negligence is suspected?

Partner and Head of Tax for E.Y.:

No. I do not have concerns about that. He has got to have the power to ask for any information that he thinks is needed for him to determine a taxpayer's tax position. I do not have a concern about that.

The Connétable of St. Martin:

Okay, thank you.

Deputy S.M. Ahier:

Thank you. Moving on to interest on late payment of tax. Your submission highlighted the lack of a cap on the interest that can be charged for late payment of tax. What are your specific thoughts regarding a cap with this level?

Partner and Head of Tax for E.Y.:

It is not so a lack of a cap. It is there is no indication of what that interest charge might look like. It is all down to the discretion of, I think, the Minister if I remember rightly. In the consultation there was comment about an 8 per cent above base rate, which is high, very high, in addition to a 10 per cent surcharge that we have. I do not understand why we need both. I am supportive of there being a late payment interest charge ... I think that is absolutely the right way to go ... but I think there needs to be a measure of commerciality and I think the way it is currently drafted is it can be anything. So if the Minister so desired it could be 20 per cent above base rate and there is nothing we can do about it. I see no reason why it cannot be stated as a percentage of our base rate now because the variability is embedded in the base rate. So you will get your commercial return if it is set but just to leave it completely open at the moment with just a reference in a consultation document as possibly 8 per cent I think is inappropriate and again no protection for the taxpayer.

Deputy S.M. Ahier:

So you would like to see a cap included in legislation?

Partner and Head of Tax for E.Y.:

It would be helpful I think, yes, and, as I say, that gives the comptroller protection as well because it will flex with the underlying base rate. I also think that the differentiation between the interest charged on late paid tax and tax refunds is too wide. To have, essentially, an 8 per cent difference seems to be unfair to me, particularly if, as at the moment, there is nothing that a taxpayer can do

to force the comptroller to close an inquiry and that can just go on for ever. So if, at the end of the inquiry, it was agreed that the comptroller was right and there was additional tax to pay they will have suffered potentially a significant interest charge even though the case was under inquiry and the comptroller, frankly, can just keep that going and going if they wanted to. We cannot stop it. On the other hand, if that happens and the taxpayer has overpaid they do not really get compensated on a reasonable basis. This seems to me to be very unfair. It needs to be closer. I am not saying it needs to be equal because you do not get equality when you bank either. It just needs to be closer I think.

Deputy S.M. Ahier:

So you still think there should be 2 different rates for them?

Partner and Head of Tax for E.Y.:

Well, if they could be the same that would be fantastic but I would understand if they were slightly different. That would not be inappropriate so long as the difference was not significant.

Deputy S.M. Ahier:

You also raised a potential for a big difference between the interest charged on late payment for taxes ... why would this be an issue?

Partner and Head of Tax for E.Y.:

Sorry?

Deputy S.M. Ahier:

Late payment of taxes, the interest paid on the overpaid taxes, as we were just saying; do you think that it should be increased or decreased?

Partner and Head of Tax for E.Y.:

It should be just closer to what is being charged for a taxpayer if they have underpaid. As I say, not necessarily the same and I would expect it, possibly, to be slightly under but not significantly under.

Deputy S.M. Ahier:

Why would there be a difference?

Partner and Head of Tax for E.Y.:

Because, as I say, commercially if, for example, you were to borrow on a mortgage you would pay, I do not know, 3 per cent above base rate but if you have savings you get almost nothing so there is a difference if you were to use a bank for borrowing or for saving. So you would expect, potentially,

there to be a difference from a tax perspective but, as I say, if they are the same that is absolutely fine too.

Deputy S.M. Ahier:

Thank you.

Senator K.L. Moore:

Shall we move on? So there have been concerns expressed about a lack of detail in relation to guidelines being published. The controller has committed to publishing those guidelines but when you had your meeting last week was there any further information about those being available?

Partner and Head of Tax for E.Y.:

I do not recall there being a commitment to a particular date. It was recognised that there does need to be some guidance but I think, as was mentioned by Mr. Shenton last week, we have been promised guidance on so many things and, again, frankly due to the resource, I can understand they may be struggling to find the resource to deal with it but but there are some important things out there that we do need proper guidance on including this.

Senator K.L. Moore:

Well, even if we take this first tranche of the draft law there are some aspects, and particularly certain terms that are used, that require guidance, I would imagine, for professionals to apply the law.

Partner and Head of Tax for E.Y.:

Absolutely, yes. It does and particularly around the behavioural penalties, just understanding the comptroller's interpretation of what he means by "fraudulent". Some are obvious and I think there has been a lot that has been built up in case law in the U.K. (United Kingdom) over time but we are not the U.K. We need to know what is intended here and what the interpretations are here.

Senator K.L. Moore:

Yes. So is it the feeling of the local professionals that a Jersey centric set of rules needs to be very clear?

Partner and Head of Tax for E.Y.:

Yes, absolutely.

Senator K.L. Moore:

And prior to the law coming into effect?

Partner and Head of Tax for E.Y.:

Very definitely prior to the law coming into effect, yes.

Senator K.L. Moore:

Thank you.

Deputy S.M. Ahier:

General points; how should the workings of commissioners from the administration of Revenue Jersey be segregated, as you mentioned in your letter?

Partner and Head of Tax for E.Y.:

How could they? I think at the moment, and I think it has been mentioned in the comptroller's response, it appears that whenever something is raised by a taxpayer to the commissioners the information is automatically passed to the Taxes Office, which to me does not seem fair. It should not be passed to the Taxes Office. I understand that the commissioners use the Taxes Office for some administration purposes. That needs to be stopped in my view. They need to be seen to be a completely separate body and self-sufficient, if you like, rather than having to refer to the Taxes Office.

Deputy S.M. Ahier:

What would you expect a statutory inquiry window to look like?

Partner and Head of Tax for E.Y.:

A number of years after either filing of a tax return ... yes, after the filing of the tax return for no further inquiries to be raised. Now, what that looks like, what that number is; it could be 5 years; it could be 3 years; it could be 7 years. I did notice in his response that that is going to be reviewed. I do not see why it has to be reviewed. I think he said he wants to review it to see what international best practice is. We know what the U.K. has. Why do we not just implement that? That would be a very easy thing to put into the law. If that subsequently was found to be either insufficient or too generous then it could be amended in the future but I do not see why it needs to have a detailed review before they decide the timeframe over which an inquiry window should be closed.

Deputy S.M. Ahier:

What do you think would be a reasonable timeline?

Partner and Head of Tax for E.Y.:

Somewhere between 3 and 5 years, 3 to 5 years, would be acceptable.

Deputy S.M. Ahier:

Five years as a maximum?

Partner and Head of Tax for E.Y.:

Yes, I think so.

Deputy S.M. Ahier:

So this is common in other jurisdictions?

Partner and Head of Tax for E.Y.:

It is, yes.

Deputy S.M. Ahier:

What is it in England at the moment?

Partner and Head of Tax for E.Y.:

I think in the U.K. it is 5 years, I think.

Deputy S.M. Ahier:

You think we should adopt that?

Partner and Head of Tax for E.Y.:

I see no reason why not. Yes, that would be acceptable.

Deputy S.M. Ahier:

Is the commitment by the controller to look at this sufficient or do you think there needs to be action in ...

Partner and Head of Tax for E.Y.:

Again, I do not really understand why it needs a review. A commitment to look at it is a little bit woolly in my view. As we have said, in the past there have been lots of commitments to review things and that has not happened. Speaking frankly, I do sense a bit of a change based on the meeting we had with the comptroller or deputy comptroller last week. Certainly in the discussion we had with the deputy comptroller there was a real sense that he was genuinely committed to making sure this happened and has considered the resource he needs, for certainly the current year, to deliver what he has committed to do. Whether, as I say, something gets in the way I do not know. That could obviously stop things happening but I think committing to review in my view is just too

woolly and I think it should be a commitment to introduce that particular assessment window or inquiry window this year.

Deputy S.M. Ahier:

So would you say there has been undue delay?

Partner and Head of Tax for E.Y.:

That sounds a little harsh to say it was an undue delay. I think they have had a lot of very competing resource constraints or resource requirements. We had the new substance law come out of the blue which has taken up a huge amount of their time and they have done exceptionally well in getting where they got to on that. I think it is a combination of perhaps focusing on commitments that were made previously that are not that important. Lack of resource; I know they have struggled to recruit as well, but also clearly there has been a focus on increasing the powers of the comptroller in this particular draft without considering some fairly easy changes, I think, to introduce some taxpayer protections and I do not understand why that is the case. So I would not put it down to undue delay. They have a huge amount to do and I do have a lot of sympathy for the comptroller because of what he has had to do in the years that he has been here.

Deputy S.M. Ahier:

Would you welcome the introduction of a taxpayer's charter as highlighted in a submission by Grant Thornton?

Partner and Head of Tax for E.Y.:

Yes, but it does need to be one that is balanced and that provides protection to the taxpayer as well as allowing the comptroller to do what he needs to do.

Deputy S.M. Ahier:

Thank you.

The Connétable of St. Martin:

We understand that heads of tax from the big 6 accounting firms met with the controller and the Minister for Treasury on 17th December and then you referred to your meeting last week. So what further consultation has the Taxes Office undertaken with you and other members of the tax industry?

Partner and Head of Tax for E.Y.:

In respect of this law specifically?

The Connétable of St. Martin:

Yes.

Partner and Head of Tax for E.Y.:

I am not aware there has been any other specific consultation and I think there are a couple of points I would like raise on that. One is in respect of ... in the more recent submission that the comptroller made ... I lost my train of thought there. I think there was mention that a number of the big 6 did not respond and he assumed therefore that they accepted the position. I think that is quite a leap to take. The fact that they did not respond could be for a number of reasons. If they fully supported it perhaps they would have just responded as PwC (PricewaterhouseCoopers) did with a very simple letter that said: "We fully support the draft administration law as submitted." Perhaps it could be that they did not have sufficient time or perhaps they felt that they had made their views known at the various meetings that we had had. Related to that I noticed in the introduction to the law itself the commentary at the front of the law, there is a statement that says: "That this has been broadly accepted by the taxpayer community" and again I do not think that is a fair statement as you can see from the submissions that have been received. So, yes, there has been consultation; yes, we have had lots of discussions and I think the general answer from the big 6 in particular is: "We support a tax administration law. There is nothing per se, apart from Article 26, that is particularly problematic with the law as it stands as a standalone piece of law but there are things that are missing and taxpayer protection is one of them." We have always made that clear to the comptroller.

Senator K.L. Moore:

We heard from a member of another accountancy practice last week that Jersey just needs a complete root and branch overhaul of the tax system. Would you agree with that view or can you see a way forward that would require less radical measures?

Partner and Head of Tax for E.Y.:

Ideally, I think in a perfect world with unlimited resource and everything else a root and branch rewrite of the law would be good. I mean the U.K. has done a significant amount of that. However, practically speaking, I think that will be incredibly difficult but what does need to happen is there are some fundamental issues with the law that we have raised with the comptroller over the years. It was with me. I mean I do not know if you are aware that I used to be the head of Tax Policy for the Government years ago. I left about 5 years ago and was there for 4 or 5 years before that. There were issues that were raised when I was there that still have not been addressed. Again, partly down to resource and partly because other things have come in that for, perhaps political reasons or whatever, that have taken priority. An example is the law on interest relief. It does not work. I had a review done when I was head of Tax Policy and it was quite clear from the result of that that if you look at the law as it stands a taxpayer could not get tax relief for commercially incurred interest,

which seems a nonsense. Pretty much every jurisdiction ... if you buy an asset for a business and you borrow to buy that asset you would get interest relief for a commercial amount of interest that you are incurring.

[10:30]

If you look at the law as it stands without all the concessions it would not work and you would not be able to get that relief and in fact I have had a recent case where ... it was purely a commercial transaction that had to be reorganised so that the taxpayer could get a sensible element of third party debt interest relief for tax purposes. It just does not seem to be recognised that we need to use concessions and possibly come to a separate agreement with the comptroller because the law does not work. So coming back to your question ... sorry, I have gone off a little bit ... there are pockets of the law that absolutely need to be addressed and absolutely need to be rewritten very soon. There has been a commitment to do that on interest relief for some years and it still has not happened.

Senator K.L. Moore:

In that scenario it would be helpful, one would imagine, to see a programme, a schedule, of what is coming next but I gather from what you have said that that has not been forthcoming.

Partner and Head of Tax for E.Y.:

Well, we have an indicative schedule of what their plans are for this year and for 2020 and 2021 but again it is just indicative and we do not know for sure obviously that that is going to happen.

Senator K.L. Moore:

Have you any other points that you would like to raise at this point?

Partner and Head of Tax for E.Y.:

I think the other point is really around fairness, if you like, in terms of the approach by the Taxes Office and this is a comment that has been made about this particular law and that it does seem to be very one-sided. It is just providing additional power to the comptroller without thinking about the other side and the taxpayer's needs and what they should have. As an example, and we look at the inquiry window as an example, I have a taxpayer that I recently took on. There was an inquiry going on in terms of their tax affairs and a response was given from the previous tax adviser back in 2015, the date was ... I will put my glasses back on ... 11th February 2015, a full response was made to the inquiry and nothing was heard and then suddenly we get another letter from the Taxes Office on 1st August 2018 asking for more information. That is 3½ years from when the taxpayer thought everything had been sorted and that the comptroller was in agreement with their tax affairs. That is

unacceptable and that is why protection needs to be put in place for taxpayers so that they have certainty that their affairs are closed and do not expect perhaps in 3, 4, 5, 10 years that they are going to get another inquiry. That is just another example, a real example, of why things need to be better managed. Now, again in defence of the comptroller, when you raise things like this with him he says: "Please let us know if you have issues and we will try to address them." That is not really the way a tax administration should work. The power should be there so that that taxpayer can force a situation and say: "No, this not fair. You have not asked us for 3½ years, why are you now asking additional questions?" Of course, again, the pushback to me might be: "Well, is the request valid?" Is the information they are asking for valid? Yes, it was but that should have been asked 3 years previously.

Senator K.L. Moore:

Were you given any reasons as to why such a delay had happened?

Partner and Head of Tax for E.Y.:

It would just be a lack of resource, it fell through the cracks. "We are going through a whole mediation programme", which I absolutely accept, as I said at the beginning. The comptroller had a heck of a challenge going into that and trying to modernise the Taxes Office but I think there just needs to be a bit more of a level playing field and acceptance that not all taxpayers are at it. You know, partly sometimes they, themselves, do not have the resources to respond as quickly as they might want to but, yes, as I said, there is a general feeling that the approach by the Taxes Office has become very one-sided and there is no recognition of the fact that taxpayers have issues too.

Senator K.L. Moore:

Okay. Well, that has been very helpful. Are there any further questions? We thank you very much for your time today and I close the hearing.

Partner and Head of Tax for E.Y.:

Thank you for the opportunity. I appreciate it.

[10:34]