

Loan Charge Action Group
71-75 Shelton Street
Covent Garden
London
WC2H 9JQ

2 July 2026

Dear Mr Packham and Mr Earnshaw,

Thank you for your letter regarding the independent review of the Loan Charge.

The independent review of the Loan Charge was commissioned at Budget 2024 by the previous Exchequer Secretary to the Treasury. The Exchequer Secretary appointed Ray McCann to lead the review and the review's terms of reference were agreed by Mr McCann and the Minister. The Minister's letter commissioning the independent review can be found on GOV.UK:

https://assets.publishing.service.gov.uk/media/6790c16a20bce57216a2f120/250123_Letter_from_XST_to_Ray_McCann.pdf

Ray McCann is an experienced tax professional who was previously President of the Chartered Institute of Taxation, his experience made him highly qualified to undertake an independent review of this unique and complex issue.

It is common practice for officials to provide advice regarding potential Reviewer selections and to highlight any perceived conflicts of interest that may be considered. In this case, officials highlighted that stakeholders may perceive Ray McCann's time at HMRC as a perceived conflict of interest, but that this was mitigated due to Mr McCann leaving HMRC 20 years prior to the Loan Charge being created.

HMT are committed to a thorough appointments process, and any potential conflicts of interest are carefully considered when appointing an individual as a Reviewer. As is shown in the Freedom of Information Act release you refer to, Ray McCann was suggested as a potential reviewer at a meeting with the former Exchequer Secretary to the Treasury that you attended. The release shows that other candidates were considered alongside Ray McCann.

Following the conclusion of the independent review, the Government announced that it accepted all but one of the review's recommendations and would legislate to give HMRC the power to administer a new settlement scheme. HMRC are working at pace to launch the new settlement opportunity so that they can begin to support customers through settlement.

As outlined in the Government's response to the Review, officials are collating communication that took place between HMT and HMRC officials and the Review Team and will be publishing this shortly.

Thank you for taking the time to make me aware of your concerns.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Bowler', is centered on the page.

James Bowler
Permanent Secretary