

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Background

The Tax Law Rewrite project

7. In December 1995 the Inland Revenue presented a report to Parliament on the scope for simplifying the United Kingdom tax system (*The Path to Tax Simplification*). The main recommendation was that United Kingdom direct tax legislation should be rewritten in clearer, simpler language.
8. This recommendation was warmly welcomed, both in Parliament and in the tax community. In his November 1996 Budget speech the then Chancellor of the Exchequer (the Rt Hon Kenneth Clarke QC MP) announced that the Inland Revenue would propose detailed arrangements for a major project to rewrite direct tax legislation in plainer language.
9. The project team has been carrying out this work. The aim is that the rewritten legislation should use simpler language and structure than previous tax legislation. The members of the project are drawn from different backgrounds. They include longstanding HMRC employees, former private sector tax professionals and parliamentary counsel including (as head of the drafting team) a senior member of the Parliamentary Counsel Office.

Steering Committee

10. The work of the project is overseen by a Steering Committee, chaired by the Rt Hon the Lord Newton of Braintree OBE DL. The membership of the Steering Committee as at 31 October 2008 was:

The Rt Hon the Lord Newton of Braintree OBE DL (Chairman)

Dr John Avery Jones CBE

Adam Broke

Baron Christopher of Leckhampton CBE

Nicholas Dee

Dave Hartnett CB

The Rt Hon Michael Jack MP

Eric Joyce MP

District Judge Rachel Karp

Professor John Tiley CBE

John Whiting CBE

Consultative Committee

11. The work is also reviewed by a Consultative Committee, representing the accountancy and legal professions and the interests of taxpayers. The membership of the Consultative Committee as at 31 October 2008 was:

Robina Dyall	Chairman
Brian Atkinson	100 Group
Adam Broke	Special Committee of Tax Law Consultative Bodies
Colin Campbell	Confederation of British Industry
Russell Chaplin	London Chamber of Commerce & Industry
Mary Fraser	Association of Chartered Certified Accountants
Malcolm Gammie CBE QC	The Law Society of England and Wales
Julian Ghosh QC	Revenue Bar Association
Keith Gordon	Chartered Institute of Taxation
Terry Hopes	Institute of Chartered Accountants in England and Wales
Bob McInerney	Federation of Small Businesses
Isobel d'Inverno	Law Society of Scotland
Amy Jones	Institute of Chartered Accountants of Scotland
Simon McKie	Institute of Chartered Accountants in England and Wales
Lakshmi Narain	Chartered Institute of Taxation
Francis Sandison	The Law Society of England and Wales
Michael Templeman	Institute of Directors
Professor David Williams	Office of the Social Security Commissioners
Mervyn Woods	Confederation of British Industry

Consultation

12. The work produced by the project has been subject to public consultation. This has allowed all interested parties an opportunity to comment on draft clauses.
13. This consultation took the form of a series of papers which published clauses in draft. There were 20 of these, published between July 2006 and November 2008 and a draft Bill was published for consultation in February 2008. All these documents are available on the Tax Law Rewrite website.
14. The project also held detailed informal discussions and workshops with leading private sector tax professionals and HMRC specialists to consider the drafting of the

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more complex areas of rewritten tax legislation, for example, loan relationships and derivative contracts.

15. Those who responded to one or more of the papers, or to the draft Bill, include:

Alma Consulting Group

Chartered Institute of Taxation

Confederation of British Industry

Deloitte & Touche LLP

Ernst & Young LLP

Institute of Chartered Accountants in England and Wales

International Swaps and Derivatives Association, Inc.

KPMG LLP

Law Society

London Investment Banking Association

London Society of Chartered Accountants

PricewaterhouseCoopers LLP

Note: this list excludes those who asked that their responses be treated in confidence.