

Reform of tax tribunal system

In the recent Queen's Speech, the Government signalled its intention to push ahead with the Tribunals, Courts and Enforcement Bill.

As a result of the proposed legislation, the currently separate dispute resolution systems for direct and indirect tax would merge into a unified tribunal to deal with all UK cases. At present, disputes involving direct taxes, such as income or corporation tax, are heard by the Special Commissioners, value added tax and indirect tax disputes, on the other hand, are dealt with by the separate VAT and Duties Tribunal.

The new unified tribunals' service would have an internal appeals arm that would hear some of the most significant cases in the first instance. This would cut out the appeal route to the Chancery division of the High Court. Instead, such cases would go directly to the Court of Appeal or to the European Court of Justice. It is understood that the new appeal arm would be staffed by full-time adjudicators, and some High Court judges may also be asked to sit on certain cases.