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Jocelyn Davies
National Assembly for Wales
Finance Committee
Cardiff Bay
Cardiff CF99 1NA

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Dear Jocelyn,

Finance Committee's legacy

May I say at the outset what an enormous pleasure it was to work with you, the Finance Committee and the Chamber and Committee Service staff. Throughout, the process I was impressed with the commitment and focus on ensuring that the draft legislation was subject to thorough scrutiny.

It is reasonable to say that I had mixed expectations. Those committee proceedings that I have followed assiduously over the years, during the passage of Finance Bills through parliament and in the House of Lords, showed quite provided contrasting approaches. I was unreservedly delighted with the approach of the Finance Committee to the Tax Collection and Management (Wales) Bill and very impressed, in particular, with your management of the proceedings. I should add that my feelings have been echoed in comments made to me by some of those providing evidence.

As an individual who has spent much of the past 35 years poring over tax legislation and technical guidance, I was extremely pleased to see that all involved were so concerned to ensure that the purpose of the legislation was understood and that the structure and content of the Bill is such that it should achieve what it is intended to.

The detailed, line by line, scrutiny of the final Bill will clearly be important to ensure that the legislation does not give rise to any unintended problems.

In my view, there are considerable benefits to be gained by having an expert adviser to the committee; in providing clarification on complex issues, researching specific issues and injecting a degree of scepticism as regards the quality of some of the representations made. This leads me to conclude that it is essential, due to the complexity of both legislation and commercial structures, to have access to a range of expert advisers. However, in the context of an evolving

tax system, I believe it is important to have continuity and consistency: having a number of expert advisers could lead to inconsistency. Inconsistency that could lead to the entire system being brought into disrepute or, perhaps more seriously, to a dysfunctional system that can be exploited and abused.

In my experience, a range of models are deployed with the aim of achieving the twin objectives of consistency and continuity; typically, an individual is given the lead role and that individual will then engage others as and when needed. The engagement may be relatively informal, but is often achieved through the formation of panels or sub-committees to advise the "expert adviser". My recommendation would thus be that the Finance Committee have access to a single expert adviser on a permanent basis (or, at least, on a long term basis). As regards Finance, that expert should, in my view, be a relatively experienced accountant with recent practical experience, who is able to identify when support is needed as regards related issues - economics, law, accounting etc. The alternative of having a less experienced adviser supported by a "panel" would also, in my view, work but the selection of the panel then becomes a potential issue.

I am happy to discuss any of the matters noted above in further detail should you feel that it would be helpful.

Yours Sincerely

Lakshmi Narain