

press release



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TMA (UK) URGES CAUTION OVER TAX DEFERMENT POLICY

Britain's turnaround and recovery management professionals are urging all three parties to tread carefully over the ending of "time to pay" arrangements after the General Election, or run the risk of sparking a new surge of insolvencies.

The Government's £4.8bn scheme has so far helped 160,000 businesses employing 1.2 million workers. And in a letter sent to Alistair Darling, George Osborne, and Vince Cable, TMA (UK) President Bryan Green, CEO of Gordon Brothers Europe, says that turnaround professionals with day-to-day hands-on experience of nursing distressed businesses through the downturn agree that all too often it's only the tax deferment option that stands between their clients and insolvency.

In a market that is still critically short of liquidity, warns Mr Green, HMRC needs to balance the phasing out of "time to pay" arrangements against the slow return of business lending to something like normal.

"TMA's members have considerable experience in dealing with the operational, management, and financial pressures associated with distressed and underperforming businesses and their stakeholders, including HMRC," said Mr Green. "As TMA (UK)'s new President I want to offer Mr Darling, Mr Osborne, and Mr Cable our valuable insight to assist in their policy decisions."

Mr Green's letter says: "We appreciate that HMRC needs to rebuild its revenue streams. But we argue that too drastic a curtailment of tax deferment will have precisely the opposite effect, killing off many businesses that would otherwise have a good prospect for the future and leading to a further increase in unemployment.

"We therefore strongly urge HMRC to balance the closure of tax deferment options against the return of liquidity to the market, and thereby cushion the impact on our members' clients while ensuring the optimum result for its revenues and keeping the country's economic recovery on a steady course."

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continuation sheet

Notes to Editors:

TMA (UK) represents all professionals involved in turnaround, recovery, reconstruction, refinance and change management. Uniquely, TMA (UK) membership embraces professionals from a variety of backgrounds including accountancy, law, banking, insolvency practice, Credit Insurers, Employee representatives, Valuers and change management. TMA (UK) has 13 regions, and members network extensively at both national and regional level, building up essential contacts among different disciplines.