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## Editorial

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Certainty in business transactions is an important feature of commercial life. The law has always sought to recognise this principle. Counteraction of tax avoidance through application of the *Ramsay* doctrine introduced a large measure of uncertainty in an area of obvious concern to the business community. Practitioners were faced with two sizeable hurdles, understanding what the "emerging principle" actually is and predicting how this new weapon would be applied by the Revenue. Many "schemes" for tax minimisation, hitherto accepted by the Revenue were vulnerable to challenge under *Ramsay*.

To dispel the uncertainty, the Institute of Chartered Accountants and the Law Society decided to seek guidance from the Revenue on how the anti-avoidance rules should be applied. The Institute tackled issues of more immediate concern in a letter of July 8, 1985. This covers the efficacy of specific tax strategies which could fall either side of the line. The Law Society is to consider the longer term aspects of *Ramsay*.

A reply to the Institute's letter has now been received. The contents highlight the unsatisfactory nature of the way in which the anti-avoidance rules are administered. Most of the Revenue's

answers indicate that application of *Furniss v Dawson* will turn on questions of fact and degree. One fact is overwhelmingly clear from the Revenue's reply. The Law Society must insist upon an administration which guarantees a more predictable and consistent approach by the Revenue to invocation of the *Ramsay* principle against taxpayers.

### Reform

A welcome report from the Law Commissions, just published, recommends the enactment of a Statute Law (Repeals) Bill to sweep away numerous statutory provisions which have been identified as being obsolete or unnecessary. The report is part of a planned, systematic programme aimed at modernising and simplifying the statute book. The report recommends the repeal of 139 whole Acts or Measures and the removal of redundant provisions from 240 others — a somewhat Herculean task when one considers the possible knock-on effect of cross-references (the editor's, and presumably also the Parliamentary draftsman's, nightmare!).