

## Modernising Revenue Scotland's tax administration framework – communications from Revenue Scotland to taxpayers

### Response by the Chartered Institute of Taxation

#### 1. Executive Summary

- 1.1. The Chartered Institute of Taxation (CIOT) is the leading professional body in the UK for advisers dealing with all aspects of taxation. We are a charity and our primary purpose is to promote education in taxation with a key aim of achieving a more efficient and less complex tax system for all. We draw on the experience of our 20,000 members, and extensive volunteer network, in providing our response.
- 1.2. We welcome the opportunity to respond to the Scottish Government consultation '[Modernising Revenue Scotland's tax administration framework – communications from Revenue Scotland to taxpayers: consultation](#)'. In our view, this consultation can be split into two separate but linked areas.
- 1.3. The first is operational changes to the use of electronic communications and ordinary post by Revenue Scotland. Many taxpayers and businesses are well versed in integrating digital systems and digital communications into their day to day lives. In our view, there is no doubt that Revenue Scotland should be able to use electronic methods of correspondence, with effective provisions to protect those who are unable to interact digitally. CIOT's Low Incomes Tax Reform Group has submitted a separate response which provides detailed commentary from the perspective of an unrepresented taxpayer, some of whom may be unable to interact digitally.
- 1.4. We also appreciate that Revenue Scotland needs to administer tax in an efficient way and agree that it is reasonable to move to increased use of ordinary post.
- 1.5. The second area is the proposed changes to the legal tax framework around proof of transmission and rebuttable presumptions of receipt. The CIOT supports a review of these areas of the tax administration framework to ensure that the operational changes to post and email work effectively. However, it is important that there is a fair balance of powers between Revenue Scotland and taxpayers, and that taxpayers clearly understand what evidential requirements there are to challenge presumptions of receipts. The CIOT would be pleased to, and welcome, further engagement with tax, legal and justice stakeholders on this to ensure the tax framework works effectively for Scotland's devolved tax and legal system. In particular, we would like to see

detailed guidance developed collaboratively with stakeholders to help taxpayers and agents understand their rights and actions they might need to take.

## 2. About us

- 2.1. The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.
- 2.2. The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.
- 2.3. The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries.
- 2.4. Our members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.
- 2.5. Our stated objective for the tax systems include:
  - A legislative process that translates policy intentions into statute accurately and effectively, without unintended consequences.
  - Greater simplicity and clarity, so people can understand how much tax they should be paying and why.
  - Greater certainty, so businesses and individuals can plan ahead with confidence.
  - A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
  - Responsive and competent tax administration, with a minimum of bureaucracy.

## 3. Question 1: Do you agree that there are challenges with Revenue Scotland's current communications practice, as described above? Please provide commentary to explain the basis of your answer.

- 3.1. We agree that there are challenges with Revenue Scotland's current communication practice.
- 3.2. In our view, this consultation covers two related but distinct elements. The first is changes to operational practice with the move to electronic communications and increased use of ordinary post. And secondly, changes to the legal tax administration framework, including changes to proof of transmission and presumption of rebuttable receipt for both email communications and ordinary post.
- 3.3. Taking the operational changes first, the CIOT supports digitalisation that makes life easier and faster for taxpayers and businesses to get their tax affairs right and communicate efficiently with Revenue Scotland. Many taxpayers and businesses are well versed in integrating digital systems and digital communications into their day to day lives. In our view, there is no doubt that Revenue Scotland should be able to use electronic methods of correspondence, with effective provisions to protect those who are unable to interact digitally.
- 3.4. The second element is the proposed changes to proof of transmission and rebuttable presumption of receipt of email communications and ordinary post. Overall, we can agree that it is reasonable to review these provisions to ensure that the operational changes around the use of email communications and ordinary post

work effectively. It is important that there is a fair balance of powers between Revenue Scotland and taxpayers and we are of the view that clear, detailed guidance is required so that taxpayers clearly understand their rights and what evidence they would need to provide to challenge presumption of receipt. We would encourage Revenue Scotland to engage with tax and legal stakeholders on this.

3.5. Revenue Scotland was established in 2015, under the Revenue Scotland and Tax Powers (Scotland) Act 2014 (RSTPA). Whilst there have been some amendments made to RSTPA, there has been no significant review and assessment of these powers, at least not externally with stakeholders. However, the tax landscape in Scotland has evolved over the last ten years and we live in an ever changing world that continues to innovate and digitalise. This consultation focuses on changes to the tax administration framework in relation to electronic communications, but we would question whether there is a need for a wider review and assessment of Revenue Scotland's overall package of powers.

**4. Question 2: Do you agree with the proposal for Revenue Scotland to move to electronic communications by default, where a taxpayer has provided a means of electronic communication (except where they have opted out or are otherwise digitally excluded)? Please provide an explanation for your answer.**

4.1. In an ideal world, the taxpayer would consent to receiving electronic communications and be given the opportunity to provide their electronic contact details or update contact details on record, before any change. However, we appreciate that this in some ways takes us back to the current position and frustration, having to seek permission to communicate electronically and perhaps lower uptake due to the additional hurdles to set up. We can therefore see the rationale in adopting an electronic communication by default approach. HMRC are following a similar path introducing a 'digital by default' model.

4.2. However, moving to electronic communications by default approach, needs to be supplemented with a carefully thought through, and effectively implemented, process for those who are digitally excluded and/or wish to opt out (it wasn't entirely clear to us from the consultation document whether the opt out would be solely for digitally excluded and/or those who don't want to interact digitally). The opt out process needs to be clear and accessible. There also needs to be a careful plan to raise awareness of the opt out now (at point of change), and on an ongoing basis for a transactional tax like Land and Buildings Transaction Tax (LBTT), when the taxpayer may need to interact with Revenue Scotland at some point in the future.

4.3. Our understanding from our membership, is that generally agents want to interact digitally with tax authorities, including Revenue Scotland. Ideally this electronic communication would be two way, the communications would be clearly identifiable to a specific client and there would be the flexibility for multiple members of staff within tax and legal professional firms to access and receive the messages and notifications i.e. not one large inbox which tax and law firms need to sort through and manage to avoid the risk of messages being missed. We appreciate that this is not an easy task, and it is a challenge that HMRC are also facing currently.

4.4. Digitalisation of the tax system should benefit both Revenue Scotland and users alike, leveraging digital technologies to streamline tax processes, enhance accuracy, and enable real-time data exchange between taxpayers and tax authorities. The CIOT and ATT have developed a set of [principles](#) which should act as the benchmark against which tax digitalisation should be measured. As part of any work to update Scottish Electronic Tax System (SETS) functionality to facilitate increased use of electronic communications, it is important that Revenue Scotland stand in the shoes of the user. The user may be an individual taxpayer (with differing levels of digital capability and needs (perhaps in terms of frequency of use of system for example), businesses (from small up to large corporate group or complex structures) and agents (also of differing size). It is important that SETS (or any other chosen form of electronic communications) can be used effectively by all users.

**5. Question 3: Are there alternative approaches which Revenue Scotland could take to facilitate greater use of electronic communications with taxpayers?**

5.1. No comment.

**6. Question 4: Do you agree that the definition of electronic communications should provide Revenue Scotland with the flexibility to communicate electronically through a range of measures? Please provide an explanation for your answer.**

6.1. In our view, the consultation defines 'electronic communication' broadly – from email, to electronic document upload, SETS, through to possibly, social media and text messages. We think that there needs to be a detailed discussion with stakeholders and clarity over which type of electronic communication will be used for different types of correspondence. Whilst we appreciate the desire to future proof the legislation, we do have concerns over the use of social media in particular. Whilst we support the use of social media to help raise awareness and education of devolved taxes, it should not be used as a primary means of communication with a taxpayer.

6.2. Our understanding from discussions to date, is that Revenue Scotland may use a mixture of SETS and email. Email communications, whilst a useful and practical way of contacting taxpayers and businesses, is not currently the most secure form of electronic communications. Our understanding however is that SETS in itself has its own complexities, both for unrepresented taxpayers and for agents. Likely there will need to be a combination of the two to balance the downsides of each. The CIOT would be pleased to engage on this more detailed discussion on design and practical implementation in due course.

6.3. Our Low Incomes Tax Reform Group have provided detailed commentary within their submission on the challenges of using SETS for unrepresented taxpayers and we endorse the commentary provided in their submission.

6.4. Whilst CIOT appreciate and commend Revenue Scotland's ongoing engagement with stakeholders on the SETS system, SETS still remains ineffective if it is to be used as the default and largely sole method of communication. Having a single administrator who receives the notifications for all messages can be onerous. Often other colleagues will keep an eye on the matter/chain of communication to check if there has been any response, however expecting one single individual to be the only point of contact creates risk for agents. For smaller firms, the burden and risk of having one single administrator can be significant. Firms may have to consider a central email address that is monitored. Agents play a vital role in tax compliance and it is important that they can see and do all their clients can, and access is designed in a way that there is flexibility to receiving messages effectively. We appreciate this is a difficult problem to solve and HMRC are currently facing similar challenges around digital communication with agents.

**7. Question 5: Are there any specific circumstances, excluding consideration of opt-out arrangements, where you consider that the use of electronic communications would not be appropriate?**

7.1. We note that the consultation document itself provides that Revenue Scotland will continue to use recorded delivery/signed for post to issue some formal notices to taxpayers in some cases (where court rules require or high value cases).

7.2. It was not entirely clear to us from the consultation document whether taxpayers will be able to choose to opt out of electronic communications, or whether the opt out is only for those who are digitally excluded.

7.3. Given a significant proportion of taxpayers and businesses are represented by agents for LBTT, we would be interested to understand the split of the 26,400 annual letter estimate (2,200 per month) between taxpayers and agents. It may be that when Revenue Scotland does correspond directly with taxpayers and businesses, it

is worth the postage cost if it improves compliance. This annual postage cost would also need to be weighed against the cost of updating SETS to ensure user friendly for taxpayers/businesses. Is there a cost/benefit to digitising communications for taxpayers and businesses? We would note here that we are of the view that the agent should receive a copy of all correspondence sent to a taxpayer (whether it is sent by post or not).

7.4. The long running difficulties with three year lease return compliance is one area that care needs taken with the use of electronic communications. Whilst LBTT is largely dealt with by agents, quite often compliance with these returns is genuinely forgotten as there isn't always a regular touch point between the taxpayer and the legal professional. Whilst Revenue Scotland's work to raise awareness is ongoing and commendable, if Revenue Scotland can see that return reminders are not being accessed via the SETS system by the taxpayer/business it would be appropriate for Revenue Scotland to issue postal communication to try and reach these taxpayers and businesses (given the severity of penalties for nil returns). At the point of writing this submission, we await further update on the proposed actions from the LBTT review and highlight that this could of course potentially lead to changes to how lease review returns and/or the penalty regime works.

**8. Question 6: What process do you think Revenue Scotland should put in place to enable taxpayers to opt out of receiving electronic communications?**

8.1. Any process to opt out needs to be simple, tested, co-created, accommodate accessibility requirements and be available to taxpayers and agents (with agents able to see and do everything their client can). The opt out process would ideally be available through multiple channels. In particular for taxpayers and businesses, at least some of these channels being non digital such as phone or post. Taxpayers and agents should receive confirmation that their opt out request has been received and their records updated.

8.2. We welcome Revenue Scotland's Corporate Plan commitment to 'involve taxpayers in the design and testing our approach, systems and website'<sup>1</sup> and would hope to see this applied to both the opt out process and also the receipt of electronic communications.

8.3. Whilst it is for the Scottish Government and Revenue Scotland to decide on the design of any opt out process, it would be worth keeping a mindful eye on HMRC's plans for a digital opt out process. A Scottish taxpayer is also a UK taxpayer, and may need to interact with both tax systems, and therefore different opt out processes. Perhaps guidance around the opt out could highlight key features of the Revenue Scotland opt out process, that differ from HMRC's to help taxpayer understanding.

8.4. We agree that it will be important to have a process for opting in and out, where there is a change of circumstances or preference. Guidance should also be easily accessible on how a taxpayer can notify Revenue Scotland of a change of circumstance. For those who wish to opt back in to digital communications, presumably the taxpayer would be able to log into their account (if SETS is the chosen communication method) and easily locate an option within their account where they can choose to opt back in. Opting out on a change of circumstance, is likely to look similar to the initial process put in place to opt out.

**9. Question 7: What measures should be put in place to ensure that taxpayers are aware of the opt out?**

9.1. Raising awareness amongst those who are digitally inactive or digitally excluded will be one of the key challenges with an opt out. There needs to be clear and prominent messaging about the fact that communications are going to be sent digitally from a specified date onwards and the fact that the taxpayer can choose to opt out of digital communications (with clear instructions on how to do so). For transactional tax

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<sup>1</sup> [Revenue Scotland Corporate Plan 2024](#)  
Technical/documents/subsfinal/STC/2026

interactions (such as LBTT), consideration could be given as to how taxpayers can be reminded at the point of interaction, on the use of electronic communications by default and how they would opt out.

9.2. It should be clear to a taxpayer from the terms and conditions made available on signing up to an online service, which correspondence and notifications they may receive electronically. For those who have already provided electronic communication contact details, there should be a review of the terms and conditions and communications, provided to them at the time they entered those contact details and consideration given to the communications that need provided to those taxpayers on the move to electronic by default.

**10. Question 8: Do you agree with the proposal that a copy of an electronic communication will be proof that information was delivered by electronic communications, unless there is evidence to the contrary? Please provide an explanation for your answer.**

10.1. Overall, we agree that it is reasonable for Revenue Scotland to revisit the proof of transmission and presumption of receipt of email communication, whilst introducing a move to electronic communications to ensure effective operation.

10.2. Whilst many taxpayers and businesses are well versed in electronic communications, it is inevitable that there will be issues with its use. This may be technical issues, security issues (with accounts locked down) and also it is reasonable to expect differing levels of digital capability, all of which can lead to failed delivery and inability to get evidence to rebut presumptions of receipt. There needs to be very clear guidance available to ensure a fair balance of powers between Revenue Scotland and taxpayers, and so that is clear to taxpayers what evidence they would require to rebut a presumption of receipt.

10.3. The consultation outlines the proposed plan to align rebuttable presumptions of receipt with HMRC's Income and Corporation Taxes (Electronic Communications) Regulations 2003. Whilst we can support the alignment in terms of simplicity and consistency for taxpayers, it is important that consideration is given as to whether this is appropriate for a transactional tax such as LBTT.

10.4. We are aware from discussions with other stakeholders that the proposed changes to the legal tax framework in this consultation, in particular evidential presumptions of receipt, is broader and may have an impact on how the Scottish court system works. The CIOT would therefore welcome further engagement with tax, legal and justice stakeholders, including the judiciary.

**11. Question 9: Do you agree with the proposal that a notice transmitted by electronic communications is received on the day of transmission, unless there is evidence to the contrary? Please provide an explanation for your answer**

11.1. Please see answer to question 8.

**12. Question 10: If in agreement with the proposal, do you agree that it would be appropriate to align with the presumptions already in operation for HMRC.**

12.1. Please see answer to question 8.

**13. Question 11: What action could Revenue Scotland take to address the risks of error and uncertainty highlighted above?**

13.1. Whilst we appreciate that Revenue Scotland need to move to electronic communications in a manner that is cost effective and efficient, we are of the view that some form of internal process to monitor failed delivery and lack of engagement will be necessary. Where there is failed delivery or a lack of engagement, Revenue

Scotland should have a process in place where there is some form of postal or phone contact with the taxpayer. It is important that this process is timely and not after penalties have built up for the taxpayer.

- 13.2. Consideration will need to be given to how best to encourage taxpayers to keep their contact details up to date, which may be through prompts to encourage regular updates. Again, this issue is compounded on a transactional tax such as LBTT, which is frequently a one-off tax point, so there is no need to log into the SETS system for example on a regular basis.
- 13.3. Detailed discussion on how these safeguards and processes may work in practice is something that CIOT would be pleased to engage with Scottish Government and Revenue Scotland on in due course.
- 14. Question 12: Do you consider that the audit process and support that Revenue Scotland has in place are effective in supporting taxpayers in their interactions with Revenue Scotland? Please provide an explanation for your answer.**
- 14.1. No comment.
- 15. Question 13: Do you agree that service by ordinary post is a proportionate alternative means of communication to those taxpayers who do not have a digital means of communication or who otherwise opt out of electronic communications? Please provide an explanation for your answer.**
- 15.1. Yes we consider ordinary post to be a proportionate alternative means of communication.
- 16. Question 14: Do you agree with the opportunities, benefits, challenges and risks associated with the use of ordinary post as set out above? Please provide an explanation for your answer.**
- 16.1. Yes, we agree with the opportunities, benefits and challenges and risks noted in the consultation document.
- 17. Question 15: Where correspondence is served by ordinary post, do you agree with the proposal that second class post would primarily be used? Please provide an explanation for your answer.**
- 17.1. We understand that Revenue Scotland need to administer taxes in a cost efficient and effective manner and consider the use of second class post in the manner outlined in the consultation (excluding high value cases or where court rules require) appropriate.
- 18. Question 16: Do you agree with the proposed rebuttable presumptions of delivery for service by first and second class ordinary post within the UK? Please provide an explanation for your answer.**
- 18.1. Yes we agree.
- 18.2. We would note that there will always be circumstances at play that extend delivery times or lead to non-delivery, for example, differences in location, seasonal postal pressures or exceptional events. Some of these circumstances may be particularly distinct in Scotland compared to the rest of the UK. However, in the absence of a perfect solution to cover this, we agree with the proposed assumptions of receipt for first class and second class post. We would note that the evidential requirements to rebut these presumptions of receipt is a separate question, and we discuss this further in Question 17.
- 19. Question 17: If presumptions were introduced, on what grounds do you think these should be rebuttable by the intended recipient?**
- 19.1. The consultation does not lay out in detail what Revenue Scotland would accept as evidence of rebuttable receipt for ordinary post. Whilst we are supportive of the move to increased use of ordinary post, we do feel that detailed guidance on the evidential requirements to rebut presumption of receipt is vital to ensure a fair

balance of powers between Revenue Scotland and taxpayers, similar to our comments above on the presumptions of receipt for email communications. We are aware from discussions with other stakeholders that the proposed changes to the legal tax framework in this consultation, in particular evidential presumptions of receipt, is broader and may have an impact on how the Scottish court system works. The CIOT would therefore welcome further engagement with tax, legal and justice stakeholders, including the judiciary on the evidential requirements to rebut presumptions of receipt, and on the drafting of guidance.

19.2. We would also highlight the work done by the Scottish Land Commission concerning the postal acceptance rule<sup>2</sup> and that the Contract (Formation and Remedies) (Scotland) Act 2026 abolishes the postal acceptance rule<sup>3</sup>.

**20. Question 18: Relatedly, what steps could be taken to address the risks set out above? Are there other risks or issues which should be considered and addressed?**

20.1. No comment.

**21. Question 19: How much notice would taxpayers and agents need for these changes, and how could Revenue Scotland best communicate it?**

21.1. No comment.

**22. Question 20 to Question 27**

22.1. No comment.

**23. Acknowledgement of submission**

23.1. We would be grateful if you could acknowledge safe receipt of this submission and ensure that the Chartered Institute of Taxation are included in the List of Respondents when any outcome of the consultation is published.

The Chartered Institute of Taxation

22 June 2026

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<sup>2</sup> [Report on Review of Contract Law: Formation, Interpretation, Remedies for Breach, and Penalty Clauses \(Report No 252\)](#)

<sup>3</sup> [Contract \(Formation and Remedies\) \(Scotland\) Act 2026](#)