



10 DOWNING STREET

From the Private Secretary

Prime Minister

Meeting with the Chancellor

(i) TSRB

(ii) CGT and gifts

When the Treasury issued its statement on disposal, it hinted that some amendment to the CGT treatment of gifts might be needed - see X of Flag A. Treasury do propose to pursue this. Chancellor will explain.

(iii) Late payment of tax

Flag B sets out the Treasury's proposals for implementing the Kelcey report in the Inland Revenue field. The aim is to tighten up while increasing safeguards for the taxpayer. Flag C provides the note you wanted on symmetry between the taxpayer and the Revenue Departments.

AT 25/6