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Tender

HMRC Competition to Identify Deliberate Evasion and Help Close the Tax Gap

HM Revenue & Customs

UK4: Tender notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-046065

Procurement identifier (OCID): ocds-h6vhtk-055ed0 ([view related notices](#))

Published 5 August 2025, 11:52am

Changes to notice

This notice has been edited. The [previous version](#) is still available.

Updated to extend the submission deadline.

Scope

Reference

SR2559456746

Description

Small business accounts for approximately 60% of the UK tax gap. This is driven by a range of customer behaviours from simple error through to deliberate evasion. Identifying deliberate evasion is inherently difficult across a very large population of more than 5m customers. By its nature its intent is to hide and deceive. This can lead to risk targeting and response being more costly for HMRC which impacts on our ability to close the tax gap and can increase burdens on compliant customers.

Using data to identify potential deliberate evasion in our analytical risking processes may help improve HMRC's approach to managing this risk and the customer impacts of that. We would like to explore novel analytical techniques and data that help identify indicators of potential evasion in our risking processes.

We are seeking solution(s) that can help close the tax gap by identifying deliberate evasion behaviour among small business customers.

We are open to exploring a variety of potential solutions that achieve this objective. While not a formal requirement, we anticipate that some solutions will:

- (a) Identify or confirm potential evasion, by predicting behaviour,
- (b) Explore different uses of data available to HMRC or third parties.

Further information and context on this problem statement is available in the tender documentation.

The challenge to identify indicators of evasion:

- There are an estimated 5.45 million small businesses in the UK (0 to 49 employees).
- Small businesses operate in all of our main tax regimes: Corporation Tax, VAT, PAYE, Income Tax Self-Assessment.
- Small business operate across almost all sectors of the economy and evasion can be more prevalent in some sectors and populations than others.
- We have access to significant amounts of data provided by customers in their tax returns which can be monthly, quarterly, annual and transactional depending on the tax regime.
- We also have access to some Third Party Data, e.g. Merchant Acquirer data.

- We use at - scale analytics to detect anomalies as indicators of risk for further investigation.
- Analysis to detect indicators of behaviour, specifically evasion behaviour, is challenging.
- This can lead to risk targeting and response being more costly for HMRC and burdensome for the customer.

Total value (estimated)

- £5,000,000 excluding VAT
- £6,000,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 12 February 2027 to 11 February 2028
- Possible extension to 11 February 2031
- 4 years

Description of possible extension:

Any contract for delivery awarded at the end of the competition will have multiple extension options in the format of 1 year base contract term + 1 year extension + 1 year extension + 1 year extension. Use of the extension options will be driven by contract performance.

Main procurement category

Goods

CPV classifications

- 48000000 - Software package and information systems
- 72000000 - IT services: consulting, software development, Internet and support

Contract locations

- UK - United Kingdom

Participation

Particular suitability

Small and medium-sized enterprises (SME)

Submission

Submission type

Tenders

Tender submission deadline

26 August 2025, 10:00am

Submission address and any special instructions

This procurement will be conducted by way of an eSourcing event using HMRC's SAP Ariba eSourcing Portal. Please ensure you are registered with the eSourcing Portal to gain access to the procurement documentation when it is released which will contain full details of the requirement.

If you are not already registered, the registration link is: <http://hmrc.sourcing-eu.ariba.com/ad/selfRegistration>

As part of the registration process you will receive a system generated email asking you to activate your SAP Ariba supplier account by verifying your email address. Once you have completed the activation process you will receive a further email by return confirming the 'registration process is now complete' and providing you with 'your organisation's account ID' number. If an email response from HMRC is not received within one working day of your request, please re-contact sapariba.hmrcsupport@hmrc.gov.uk (after first checking your spam in-box) notifying non-receipt and confirming when your registration request was first made.

Once you have obtained 'your organization's account ID' number, please email josh.jones1@hmrc.gov.uk and copy in innovationaiteam@hmrc.gov.uk with your:

- Contract title and Reference
- Your organisation's HMRC SAP Ariba account ID
- Your organisation name
- Your name
- Your email address
- Your telephone number.

Once you have complied with the foregoing you will receive an e-mail confirming access to the procurement event.

Further information about HMRC's procurement tool SAP Ariba, a Suppliers Guide and general information about supplying to HMRC is available on the HMRC website: www.hmrc.gov.uk/about/supplying.htm

If you have already registered on SAP Ariba then you may also need to re-register on HMRC's SAP Ariba in order to be added to the event

Tenders may be submitted electronically

Yes

Languages that may be used for submission

English

Award decision date (estimated)

11 February 2027

Award criteria

Name	Description	Type	Weighting
Stage 1 - Proposal - Helping to Close the Tax Gap by Identifying Deliberate Evasion Behaviour	Criteria Question 2 for Stage 1 of the multi-stage competition. PROPOSAL - Helping to Close the Tax Gap by Identifying Deliberate Evasion Behaviour. With reference to Attachment B - Specification - Stage 1 and Attachment C - Slides from Launch Event 21st July, please set out your proposed solution for helping to close the tax gap by identifying deliberate evasion behaviour. Your proposed solution does not need to be fully developed at this	Quality	75%

Name	Description	Type	Weighting
	<p>initial stage, but your response must make clear that your idea is fundamentally viable and deliverable for HMRC within the available timeframe. Your response must include: a) Solution: An overview of your proposed solution, b) Benefits: How your proposed solution will help solve the problem and contribute to closing the tax gap by identifying deliberate evasion behaviour. Your idea must be within HMRC's remit to implement and deliver: for example, your proposed solution should not require major policy changes. c) Implementation: High-level consideration of what dependent inputs from HMRC and/or third parties your solution would need or benefit from in its implementation. (Note: Prior knowledge of HMRC's internal structure, teams and systems is not required for this part and will gain no additional credit - answer this part using industry standard or common-sense terminology). d) Timing: Confirmation</p>		

Name	Description	Type	Weighting
	<p>that your proposed solution can be developed for implementation in the timeline set out in these tender instructions. This question will be scored based on how well the response answers the question and any evaluation criteria included in the question in line with the scoring matrix contained in Table 1 above. Bidders must score at least 50 unweighted points on this question to be eligible to proceed to stage 2. Scoring 50 or higher is no guarantee of being shortlisted for stage 2. Your written transcript response and video submission will be evaluated together.</p>		
Stage 1 - Skills and Capabilities - Delivering for HMRC	<p>Criteria Question 1 for Stage 1 of the multi-stage competition. SKILLS AND CAPABILITIES - Delivering for HMRC With reference to Attachment B - Specification - Stage 1 and Attachment C - Slides from Launch Event 21st July, please demonstrate your skills, ability and capacity to deliver against closing the tax</p>	Quality	25%

Name	Description	Type	Weighting
	<p>gap by identifying deliberate evasion behaviour. Your response must include:</p> <p>a) An overview of your capabilities as an organisation, b) If bidding in partnership or consortium, an overview of the members within the partnership or consortium and your expected division of responsibilities and capabilities. This question will be scored based on how well the response answers the question and any evaluation criteria included in the question in line with the scoring matrix contained in Table 1 above. Your written transcript response and video submission will be evaluated together.</p>		

Other information

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Competitive flexible procedure

Competitive flexible procedure description

The competition is being run via HMRC's SAP Ariba portal - see instructions under Submission for how to register for the event. The event is open to all suppliers and all tender documentation is provided on the portal.

5.3 Stage 1: Invitation to submit initial tender

- (a) Stage 1 commenced with the issuing of a Tender Notice and the publication of this document.
- (b) This document includes a procurement specific questionnaire (PSQ) and quality questions at Schedules 1 and 2 which all suppliers are required to complete and return in accordance with the Procurement Timetable and instructions within this document.
- (c) HMRC will use this stage to firstly confirm that neither the supplier, nor any related persons within its corporate group, associated persons relied on to meet the conditions of participation, or proposed sub-contractors are listed on the Cabinet Office debarment list. To the extent that any such entities are listed on the debarment list, HMRC will consider whether to exclude the supplier from participating in the Procurement in accordance with its obligations under the Act.
- (d) In addition, HMRC will consider whether any supplier or related persons within its corporate group, associated persons relied on to meet the conditions of participation, or proposed sub-contractors are excluded or excludable suppliers, and before HMRC determines that a supplier is an excluded or excludable supplier, it will provide the supplier reasonable opportunity to make representations and provide evidence as is proportionate in the circumstances. If the supplier is an excluded or excludable supplier only by virtue of an associated person or proposed sub-contractor, HMRC will notify the supplier of its intention to exclude the supplier and provide the supplier with reasonable opportunity to replace the associated person or sub-contractor. If as a consequence of this process HMRC excludes the supplier from participating in the Procurement, or is aware of an associated person or sub-contract having been replaced, it will give notice of

this fact within 30 days of its decision to the Procurement Review Unit (PRU).

(e) HMRC will also undertake a review of the completed PSQ with reference to any information held on the Central Digital Platform. Responses to any conditions of participation will be assessed in accordance with the selection process and any selection criteria as set out in the Tender Notice, PSQ and described in this document.

(f) The assessment of suppliers utilising PSQ, as detailed above, will be undertaken prior to the evaluation of bid submissions for stage 1. suppliers are required to submit their PSQ through Ariba.

(g) As part of their stage 1 submission, alongside the PSQ, suppliers must submit a video up to a maximum of 5 minutes duration providing their response to the questions set out in Schedule 2: Quality Evaluation Criteria.

(h) Suppliers should submit a video using the instructions provided in Section 20 'How to respond to this opportunity' below. Additionally, suppliers must submit a transcript of their video, with a maximum of 750 words.

(i) The video and associated 750 word transcript must cover both of the two questions above. The supplier should note that the transcript must answer both questions detailed above, and that the video should be used for supplementary presentation and delivery purposes only - i.e. information that is not well suited to communicating via written (the transcript) or spoken word. For example, acceptable video content would include (but is not limited to) demonstrations, animations, graphs and charts, supporting visual/practical aids etc.). HMRC reserves the right to exclude bidders who utilise the video submission to provide excessive additional content which could have been adequately conveyed in the speech of the video and accompanying transcript. For example, unacceptable video content would include (but is not limited to) a PowerPoint presentation that features significant text that the bidder intends the evaluators to assess over and above the 750 word transcript.

(j) Stage 1 will complete with suppliers being notified in writing of whether or not they have been successfully shortlisted to participate in stage 2. Suppliers not invited to stage 2 will be provided with written feedback on why they have not been shortlisted to participate in stage 2.

(k) Suppliers successfully shortlisted to participate in stage 2 will be issued with a contract based on the template in Attachment E - Contracts for Innovation - Draft Version and Attachment F - HMRC Mandatory Clauses - Draft Version to support their engagement through stage 2.

(l) HMRC intends to shortlist a maximum of 12 suppliers to participate in stage 2.

(m) HMRC may, at its discretion, invite a bidder to form a partnership or consortium with another competitor.

(n) Suppliers should note that HMRC reserves the right to re-assess any response to the PSQ, in light of any new relevant information that comes to HMRC's attention.

5.4 Stage 2: Solution presentation & demonstration

(a) Stage 2 will commence with the issuing of a letter inviting suppliers that have been successfully shortlisted at stage 1 to further develop their proposed solution for a period of approximately 5 weeks.

(b) The letter will provide details of how the presentation and demonstration stage will be conducted, including the evaluation criteria and process and the format of the presentation event.

(c) The letter will also provide details of any new information made available to suppliers at this stage of the Procurement.

5.5 Stage 3: Pilot

(a) Stage 3 will commence with the issuing of a letter inviting suppliers that have successfully passed the downselect at stage 2 to participate in a Pilot stage. This stage will allow suppliers to design, build, test and demonstrate their prototypes in consultation with HMRC.

(b) The letter will provide details of how the prototyping and proof of concept stage will be conducted. HMRC anticipates that the Pilot will have a 12 month duration, and funding will be available for up to 3 bidders. The funding available is capped for stage 3, and HMRC does not commit to cover any or all of the bidder's costs for participating in any stage of this competition. HMRC reserves the right to withdraw any funding offer at any time throughout this competition and makes no guarantee as to its availability.

(c) Stage 3 will conclude with the issuing of a letter to all participating suppliers confirming the closure of the Pilot stage.

5.6 Stage 4: Final tender

(a) Stage 4 will commence with the issuing of a letter at the end of stage 3 inviting suppliers that successfully passed the downselect at stage 2 to submit their final tenders.

(b) The letter will provide details of how the final tender stage will be conducted.

(c) The letter will also provide details of any new information made available to bidders at

this stage of the competition.

5.7 Optional stages & rights

(a) HMRC reserves the right to add an optional dialogue or negotiation stage within, or at the end of stage 4. Any use of a dialogue or negotiation stage will be followed by an additional final tender submission. If used, this stage will be described in the letter issued at the beginning of stage 4.

(b) HMRC reserves the right to re-run or re-start any stage of the competition at any time.

(c) HMRC reserves the right to directly award a contract at any stage during the competition if only a single supplier enters or meets the requirements.

Contracting authority

HM Revenue & Customs

- Public Procurement Organisation Number: PVMW-8599-JZNJ

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London

SW1A 2BQ

United Kingdom

Email: innovationaiteam@hmrc.gov.uk

Region: UKI32 - Westminster

Organisation type: Public authority - central government