

27th March 2015

Dear Constituents,

Thank you for contacting me about the campaign for a Tax Dodging Bill.

I believe we should welcome businesses to Britain with open arms and have the lowest business taxes of any major country in the world. However, some companies are going to extraordinary lengths to avoid paying their taxes and that is not fair.

That is why I am pleased action has already been taken on tackling the aggressive tax avoidance of some large companies and individuals to address the issues you raise. The UK started the global work on changing international tax rules and is now leading the world in implementing these changes in Britain.

This Government has already gone further on this issue than any previous administration and is committed to recouping at least another £5 billion each year in the next Parliament which would otherwise be lost through tax avoidance and evasion.

Please find below just some of the ways action is being taken to tackle tax avoidance by the largest companies:

- To make sure the largest companies contribute, the Government is introducing a 25 per cent tax on multinationals' profits where they are artificially shifted out of the country. This will raise over £1 billion over the next five years.
- The introduction of new anti-avoidance measures will dramatically reduce the benefits from complex arrangements such as the so-called 'double Irish' used by some large multinationals, especially in the technology sector.
- The new General Anti-Abuse Rule will deter the creation of abusive tax avoidance schemes. The Government is also consulting on new powers for HM Revenue & Customs (HMRC) to collect unpaid taxes from people owing more than £1,000.
- G20 countries have agreed a new global mechanism that makes it easier for HMRC to identify UK taxpayers hiding assets or income offshore. Those avoiding tax can be fined twice the tax owed, with the possibility of criminal prosecution and a prison sentence.
- Agreement has now been reached among 92 countries to exchange information on bank accounts automatically every year. Under these agreements, starting in 2016 for the Crown Dependencies and Overseas Territories, HMRC will receive a wide range of information on offshore accounts held by UK tax residents, including names, addresses, account numbers, interest and balances.
- The Government is also toughening the sanctions for those who continue to evade tax by closing the existing disclosure facilities for tax evaders early. A tougher 'last chance' disclosure facility will be offered between 2016 and mid-2017, with penalties of at least 30 per cent on top of tax owed and interest and with no immunity from criminal prosecutions in appropriate cases.

Alok Sharma, MP for Reading West

- I can also assure you the Government remains committed to tackling poverty and helping the world's poorest people which is why it is spending 0.7 per cent of our gross national income on aid and development. This is helping millions of the very poorest people to get protection against diseases such as cholera and aids; ensuring 10 million children get the food they need so they do not die from hunger; and enabling 11 million children to attend school so they have the chance of getting a better start in life.

I hope this reassures you that the Government is already taking action on this issue and will continue to be relentless in tackling avoidance and aggressive tax planning where it arises within the UK to ensure large multinational businesses pay their fair share.

Thank you again for taking the time to contact me.

Yours sincerely,



Alok Sharma MP