



END THE SCOURGE OF TAX AVOIDANCE #paradisepapers

The 'Paradise Papers' are just the latest in a long line of tax scandals. The system, which is rigged to benefit the privileged few at the expense of everyone else, is broken. The impact on our public services of these corrupt practices, protected by a veil of secrecy, has been devastating. After seven years of austerity, it is time for irresponsible tax dodging to come to an end.

HMRC, the government body tasked with policing the tax system, has seen its staff numbers and budget halved since it was formed in 2005. Meanwhile, the UK government has failed to take the opportunity to clean up the offshore system, in territories like Bermuda that are under its control, and make it harder for individuals and companies to avoid tax. It is little wonder that tax dodgers are taking advantage.

Tax Justice UK, the country's leading campaign organisation for a fairer tax system, is now calling for the Prime Minister to take decisive action to end the scourge of tax avoidance, once and for all, by tightening up on enforcement and introducing new transparency rules. We call on the Prime Minister to commit to:

- 1. Properly funding HMRC.** HMRC's budget has been cut by 40% since 2000, and its staffing has almost halved since 2005. Every extra £1 invested in enforcing large company taxation rules would yield £97 in additional tax revenues, according to the government's own figures. It is time to invest again in the enforcement of UK tax legislation.
- 2. Stopping the practice of granting amnesties to those who hide their money tax offshore.** The government has done this after previous leaks. This is unnecessary and harmful to the interests of the UK population.
- 3. Abolishing 'non-dom' status.** This antiquated system serves no purpose other than facilitating tax avoidance by wealthy individuals. It is time for it to be consigned to the history books.
- 4. Tightening the regulation of accountants, lawyers and bankers.** These professions are largely self-regulated. More stringent regulation is needed to prevent the kind of abuse that has been uncovered by the Paradise Papers.
- 5. Introducing public registers of beneficial ownership for trusts as well as companies, and compelling UK crown dependencies and overseas territories to do the same.** The Paradise Papers have shown that the abuse of trusts is a major driver of corruption and tax avoidance. This can be dealt with through greater transparency. Meanwhile, the UK government has consistently failed to put pressure on its offshore territories to introduce their own public registers of companies and trusts. It has the power to mandate them to act. It should use it.
- 6. Mandating public country-by-country reporting for all publicly quoted companies.** The government has had the power to do this since last year, but has failed to act on it. Forcing large companies to disclose the size of their operations and the amount of tax paid in each country would significantly reduce the scope for corporate tax avoidance.
- 7. Publicly reviewing tax breaks for corporates and wealthy individuals.** Tax reliefs cost billions of pounds every year, yet we still don't know whether they deliver value for money. We need to know the costs and benefits of them all.

To find out more visit www.taxjustice.uk or sign our petition to Theresa May at www.taxjustice.uk/petition