



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

9 April 2020

Rt Hon Mel Stride MP
Chair
Treasury Committee
House of Commons
London SW1A 0AA

Dear Mel,

As you will no doubt be aware, the Treasury has been at the forefront of the Government's response to the COVID-19 pandemic, providing the necessary fiscal stimulus to protect jobs, businesses and households. I am writing to outline a proposed change to the tax legislation to allow highly skilled individuals from across the world to come to the UK and help us respond to this unprecedented health emergency.

We welcome the expertise and resource from those who wish to come to the UK to combat COVID-19, from anaesthetists through to engineers working on ventilator design and production. Under normal circumstances, the actions and presence of these individuals in the UK could affect their own tax residence status, potentially bringing their global earnings within the purview of UK taxation.

We will amend the Statutory Residence Test (SRT) to ensure that any period(s) between 1 March and 1 June 2020 spent in the UK by individuals working on COVID-19 related activities will not count towards the residence tests. It is right that these changes are time limited and only support those people whose skillsets are currently required. The qualifying criteria will therefore be designed so that the relaxation of the rules is tightly targeted, minimising the risk of abuse. We will also keep the duration of this measure under review as the situation develops, in line with the other support already provided. The Government remains committed to tackling tax avoidance and to ensuring compliance with tax legislation. At the most recent Budget, I announced a package of measures to clamp down on aggressive tax avoidance, evasion and non-compliance that will raise an additional £4.7bn between now and 2024-25.

This measure will provide flexibility and support to those coming to work in the UK to serve the national cause. This measure is required in response to extraordinary circumstances and the Government remains committed to the framework of the SRT and to ensuring that all individuals pay their fair share of tax. Further details on the eligibility and scope will be provided in due course and this change will be legislated in the forthcoming Finance Bill to take effect from 1 March 2020.

RISHI SUNAK