

Business Forum on Tax and Competitiveness meeting minutes, 8 November 2012

Chairing: Exchequer Secretary to the Treasury, David Gauke MP

Attendees:

Amey	Andrew Nelson, Group Finance Director
GSK	Simon Dingemans, CFO
Shell	Simon Henry, CFO
GE	Mark Elborne, President & CEO, GE UK, Ireland and Benelux
Standard Chartered	Richard Meddings, Group Finance Director
RSA	Rob Clayton, Tax Director
Rolls Royce	Mark Morris, Finance Director
HM Treasury	Mike Williams, Director Business and International Tax

Item 1 – The current economic environment

The Exchequer Secretary highlighted that there had been some positive signs in recent economic data and invited the group to discuss whether this was impacting investment decisions.

Forum members generally agreed that there had been a pick-up in confidence but that there was still some progress to be made. It was noted that the picture is mixed globally.

Item 2 – Autumn Statement 2013

The Exchequer Secretary noted that the Autumn Statement would be in early December and asked for views on priorities for business tax.

There was agreement that measures taken to reform the corporate tax system, such as reducing the main rate of corporation tax to 20%, introduction of a Patent Box and reform to controlled foreign company (CFC) rules had made the UK tax environment competitive. It was also agreed that going forwards a priority was stability.

There were suggestions for improvements to employment taxes, business rates, infrastructure reliefs and the bank levy.

Item 3 – OECD Base Erosion and Profit Shifting (BEPS) work

Members were invited by the Exchequer Secretary to discuss their thoughts on the BEPS Action Plan and useful ways for engaging in the process.

On the whole, members were supportive of the work being done through the OECD, although there were some concerns about where the details would end up and that some countries might begin to take unilateral action. The group stressed the importance of thinking through potential unintended consequences.

Members confirmed that they intended to provide input to the process – some individually and others through representative bodies.

Item 4 – Messaging on tax policy

The Exchequer Secretary asked for views on how Government could best communicate its objectives on making the UK tax system more competitive, while tackling avoidance and reforming the international tax framework. He suggested that it was important for businesses to explain their tax affairs.

Members agreed that businesses needed to help inform the public debate, although some members questioned how this might be done. It was suggested that this could be done through highlighting the contribution big businesses make to tax receipts and to wider economic activity through employment and other factors.