

## **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
Oxford Business School	Mike Devereux, Director
Oxford University Centre for Business Taxation	Mike Devereux, Director
HM Treasury	Mike Williams, Director, Business and Indirect Tax
HMRC	Jim Harra, Director General, Business Taxation

### **Introduction**

The Exchequer Secretary welcomed the Forum members and outlined items for discussion.

#### **Item 1 – Tax stock take: how business has been affected by the Government’s reforms to the corporate tax system**

The Exchequer Secretary highlighted the corporate tax reforms that have taken place and asked members how reforms had impacted business.

Forum members agreed that the reforms had been positive and had made the tax system more competitive. Some members felt that further reforms were needed (for example on capital allowances), but the importance to business of stability going forward was also recognised.

Forum members generally agreed that the reduction in the additional rate of income tax to 45% was a positive move, although some expressed concerns that this was still a high top rate compared to other countries.

#### **Item 2 – Tax and British Business**

The Exchequer Secretary introduced the item on tax and British business, highlighting the need to strike the right balance between competitiveness and fairness

Forum members agreed that it was important for businesses to inform the debate, in response to public concern about whether the system was operating fairly; they recognised

that it was important for government to respond when there were real abuses of the tax system. It was also agreed that it would be useful for the Government and others to provide information about the corporate tax system to ensure that the public debate was properly informed and based on how corporation tax actually operated.

### **Item 3 – Exchequer Secretary visit to the US and promoting the UK tax system**

The Exchequer Secretary reported on his recent trip to Washington and New York in the US, where there was a positive response to tax reform in the UK. The Exchequer Secretary suggested it would be useful to find out forum members' views on ways to promote the UK's tax system and to ensure that the UK's advantages as a competitive location for investment were widely understood.

Forum members agreed that tax was only one aspect of the UK's competitiveness and that it was important to ensure that the right messages were focused on the right target audiences. For example, some members thought that the UK could be promoted as a bridge or gateway between the US and Europe or the East.

### **Item 4 – The future role of meetings**

The Exchequer Secretary invited discussion on how the Business Forum on Tax and Competitiveness could remain useful in the future.

Forum members generally felt that the forum was useful. It was agreed that now that many of the key measures from the corporate tax reform programme had been delivered, it would be better for the Forum to meet twice rather than three times each year.