

Business Forum on Tax and Competitiveness meeting minutes, 23 April 2013

Chairing: Exchequer Secretary to the Treasury, David Gauke MP

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| Vodafone | Andy Halford, CFO |
| CBI | John Cridland, Director General |
| Standard Chartered | Averina Snow, COO |
| GE | Mark Elborne, President & CEO, GE UK, Ireland and Benelux |
| Diageo | Deirdre Mahlan, CFO |
| Amey | Andrew Nelson, Group Finance Director |
| RSA | Richard Houghton, CFO |
| Ford Motor Company | Chairman, Ford Britain |
| Oxford University Centre for Business Taxation | Mike Devereux, Director |
| HM Treasury | Mike Williams, Director Business and Indirect Tax |
| HMRC | Lin Homer, Chief Executive and Permanent Secretary |
| HMRC | Jim Harra, Director General, Business Taxation |

Item 1 – Welcome and introduction

The Exchequer Secretary opened the meeting, highlighting the policy decisions taken at the two fiscal events since the Forum had last met and the ongoing public debate around business taxation.

Item 2 – Tax and reputation

The Exchequer Secretary provided an update on work the UK Government was doing on tax transparency as part of its presidency of the G8, and the tax avoidance work being led by the OECD on base erosion and profit shifting. He made it clear that while the Government had committed to making the UK an attractive business environment it did expect companies to pay the tax due under the law.

Forum members were supportive of the Government's approach to look at the issues around the international tax architecture through the OECD. Forum members agreed that there needed to be a balance between competitiveness and paying a fair share of tax. Some members suggested that

it would be useful for businesses to contribute to the debate by providing a public narrative of their tax affairs. It was noted that because business tax affairs can be complex, it was important that businesses help inform the debate. It was suggested by HMRC that businesses need to be proactive and think about what more they can do to contribute to the public discussion.

Item 3 – Where next on business taxation?

The Exchequer Secretary introduced this item by noting that the reforms set out in the Government's 2010 Corporate Tax Roadmap – including cuts in the main rate, reformed Controlled Foreign Company rules (CFCs) and the introduction of a Patent Box – had been delivered and that there was a question about how the UK's appeal as a business environment could be further strengthened in order to promote investment and growth.

There was agreement that much of the Government's programme for corporate tax reform had been positive. Some members suggested that it was important to be aware of other countries' reforms in order to maintain competitiveness. Suggestions for improvements were made for property tax, enterprise tax, infrastructure reliefs and employment taxes.

Some members also felt that it was important for the Government to focus on promoting the competitiveness of the UK regime and the reforms undertaken so far, and to do more to highlight the connection between business tax competitiveness and growth. The Exchequer Secretary updated the forum on work underway to promote the competitiveness of the UK tax system.