



FIGHTING GLOBAL POVERTY

Avoiding avoidance

Why the government's proposed 'anti-abuse' rule will fail to tackle tax avoidance

21 January 2013*

Summary

Tax avoidance has reached the very top of the political agenda, with MPs, the Chancellor and the Prime Minister all decrying the immorality of tax avoidance by companies and rich individuals. Yet the government's proposals for an 'anti-abuse rule' – the centrepiece of the government's strategy for tackling tax avoidance – will have a negligible impact on tax avoidance and would have had little or no impact on the most high profile tax avoidance scandals of the last year.

In developing its proposals, the government rejected the opportunity to introduce a General Anti-Avoidance Principle aimed at tackling tax avoidance, instead opting only to target 'artificial and abusive' tax avoidance through an anti-abuse rule. This briefing shows that the government's proposals for an anti-abuse rule, due to be introduced in the Budget in 2013, would:

- **Have had little or no impact on recent tax avoidance scandals involving Starbucks, Amazon, Google, the Student Loans Company, the BBC, the civil service, Jimmy Carr or Take That (pp 5-7).**
- **Fail to collect up to £5.5bn that could be recovered through the introduction of a General Anti-Avoidance Principle aimed at tackling tax avoidance.**
- **Give a green light to large companies and wealthy individuals to continue avoiding tax.**

If tax avoidance is morally wrong, then failing to clamp down on tax avoidance while claiming there is no money for public spending is morally indefensible. The government should take urgent action to scrap its proposals for an anti-abuse rule that targets only 'artificial and abusive' tax avoidance. Instead it should introduce a General Anti-Avoidance Principle to give HMRC a powerful tool to tackle tax avoidance, and make the UK's tax system regime one that is based on fairness and equity, rather than on its attractiveness to multinational companies.

* This briefing was originally published on 3 December 2012 and updated following the publication of the draft legislation for the Finance Bill 2013 on 11 December 2012 and receipt of a response under the Freedom of Information Act from HM Revenue and Customs on 15 January 2013.

Tax avoidance: rhetoric and reality

Tax avoidance is fundamentally an unjust activity, as it offers advantages to rich individuals and multinational companies to reduce their tax bills in a way never intended by parliament. Tax avoidance undermines the ability of the tax system to fulfil its core purpose: to raise revenue to fund public services and to redistribute wealth. What is more, in the context of government-enforced austerity, where the impacts of cuts in public spending are being felt most by the poorest and most marginalised, it is vital that all contribute their fair share.

The public's view of tax avoidance has shifted enormously in recent years. UK Uncut's popular campaigns targeting tax-avoiding high street companies, followed by numerous high profile media exposés, have hugely increased public awareness of tax avoidance. As a result, what was once considered commonplace is now viewed as immoral and unacceptable; just 4% of the UK public now believe that tax avoidance by multinational companies is 'morally justifiable' or 'fair'.¹

According to HM Revenue and Customs (HMRC), £5bn is lost from the public purse through tax avoidance, and another £4bn through 'legal interpretation', where HMRC and large companies have different views on the application of tax law.² While HMRC draws a distinction between the two, many would consider that much of what HMRC defines as 'legal interpretation' would in fact constitute avoidance, a view supported by other tax experts.³

These figures have been widely criticised as a low estimate as they only measure tax avoidance where HMRC feels it can already act under its existing powers, rather than tax avoidance where the government should act. When estimating tax avoidance including revenue lost where HMRC should have the power to tackle it, Tax Research LLP and the TUC have estimated that tax avoidance in the UK stands at £25bn per year.⁴

From the outset, the coalition government signalled its recognition of the political importance of tax avoidance. The coalition agreement, signed between the Liberal Democrats and the Conservatives after the 2010 election, affirms that the government will "make every effort to tackle tax avoidance". The government's 2011 strategy on tackling tax avoidance commits to "making the most of opportunities to make the tax system more watertight against avoidance".⁵

The coalition government has made much political capital out of repeated high profile public interventions in the debate around tax avoidance. In January 2012 David Cameron gave a press conference on the need for a tougher approach with "the large companies, that have the fancy corporate lawyers and the rest of it" – highlighting the government's plans to introduce an anti-abuse rule.⁶ In March 2012 in the Chancellor's budget speech, George Osborne decried tax avoidance as "morally repugnant" before publicly stating his "shock" at the level of tax avoidance by rich individuals two weeks later.⁷ The government has indicated that tax is set to remain high on the agenda for 2013; looking ahead to the G8 summit Cameron said that "a growing problem in our world is the fact that some businesses and some individuals hide their taxes away and don't pay them fairly – and there are too many tax havens, too many places where people and businesses manage to avoid paying taxes."⁸

Yet despite this rhetoric, the government is set to introduce a rule that would do almost nothing to tackle tax avoidance, in a drive to ensure the UK remains attractive to multinational companies.

Anti-abuse, not anti-avoidance: the coalition's proposed rule

General anti-avoidance rules come in many different forms, but their basic function is to work as an over-arching principle that applies to the implementation of all other tax law, to prevent laws being abused in order to gain unintended tax benefits.

In December 2010 the coalition government commissioned a study into whether to introduce a general anti-avoidance rule in the UK. The government's report rejected such a move and instead proposed introducing a rule targeting only 'abusive' arrangements, leaving alone what it refers to as the 'centre ground' of tax planning.⁹ The government fully supported the report's recommendation, publishing draft legislation in December 2012 for a new rule targeting 'abusive' tax avoidance arrangements, set to be introduced in the Budget in 2013.¹⁰

The implication of this is clear: the kinds of tax avoidance undertaken by large multinational companies would now be considered responsible 'tax planning', while only a tiny minority of cases at the very fringes of what is legal would be covered by the new rule. The overall effect of this rule would be little more than an administrative exercise for HMRC, removing the need for HMRC to introduce targeted legislation to tackle the most abusive schemes, but making no real difference to the overall landscape of tax avoidance.

HMRC has not calculated or published any estimates of how much tax revenue is lost through 'abusive' tax avoidance arrangements or how much extra revenue it expects the introduction of an anti-abuse rule would bring to the public purse.¹¹ However, the government's proposals for the rule highlighted three cases as examples of the types of scheme which it believes would be appropriate targets for the rule. Analysing the court documents from these cases, the tax at stake in the cases and associated avoidance schemes ranged from just £1.5m to £24m (see *appendix for details*). In the context of a total loss of up to £25bn a year through tax avoidance, this indicates that the rule will apply only to the most marginal of cases, even if it may have a deterrent effect on other similar cases on the fringes of what is legal.

The Chartered Institute of Taxation and the Association of Taxation Technicians acknowledged the limited scope of the proposals for an anti-abuse rule:

"There is a clear political wish (need?) to take action (and be seen to take action). Those who oppose (or seem to oppose) taking action risk being portrayed as friends or promoters of avoiders ... it seems that the decision may already have been taken to bring in a [general anti-abuse rule] to meet this perceived need. The target of the politicians (and the public) seems to be such things as corporate excesses / bonus culture, the high profile corporate and individual cases highlighted by campaigns such as 'UK Uncut', the way HMRC operates the tax system and 'the ability of the wealthy to manage their affairs to pay less tax'. Apart from stopping the occasional use of a Mayes scheme[†], **the [general anti-abuse rule] will not affect these situations.**"¹²(*emphasis added*)

The coalition government's proposed anti-abuse rule is no more than a cosmetic response to public anger, which will do very little to stop tax avoidance.

[†] Refers to *Mayes v HMRC*, a case deciding on the legality of the SHIPS 2 tax avoidance scheme, which is estimated to have lost the Treasury £24m. This case is included in the three cases over the last four years in which a GAAR would have brought in additional revenue reviewed by this analysis (see *appendix*).

A tax regime for tax avoiders

The rationale for only targeting ‘artificial and abusive’ schemes is made clear in the government’s report:

“A number of factors have to be taken into account to determine whether, looked at overall, introducing [an anti-avoidance rule] today would be a positive step. **Most critical among these factors is whether such a step might erode the attractiveness of the UK’s tax regime to business.**”¹³

This policy is in line with the coalition’s 2010 Corporate Tax Roadmap, which affirms the government’s overriding aim of creating the most competitive corporate tax regime in the G20.¹⁴ The coalition has chosen to prioritise making the UK attractive to multinational companies, many of which engage in tax avoidance, over making the tax system fairer or the need to raise revenue to fund vital public services.

Beyond the principle of attractiveness to business that underlies the government’s rule, the proposals contain no penalties, hand sweeping powers over to tax advisers and businesses, and are based on the assumption that the current state of widespread tax avoidance is acceptable:

- The proposals place no penalties, such as fines or higher interest rates, on tax recovered by the anti-abuse rule, unlike those countries where a general anti-avoidance rule has been implemented.
- The government’s proposed rule rests on an assessment of whether or not arrangements “cannot reasonably be regarded as reasonable” and proposes handing sweeping powers for the implementation of this rule to an external advisory panel. This panel will be largely made up of representatives of big business and the tax industry, closely associated with what the public would consider to be tax avoidance. The panel will include no representation from HMRC or government to represent the wider interests of the majority of taxpayers.¹⁵
- In establishing whether a tax arrangement could be “reasonably regarded as reasonable”, established practice can be taken into account, something the report admitted is “unconventional”. Given that as much as £25bn is lost to the government each year in tax avoidance, the government’s proposals implicitly accept that the vast majority of this would be considered ‘established practice’, and therefore would not be stopped by the proposed rule.

The greatest risk in the government’s proposed anti-abuse rule is that it is so narrowly defined, and underpinned by an acceptance of widespread tax avoidance practices, that it gives a green light to the vast majority of tax avoidance arrangements currently undertaken by rich individuals and large companies. The Association of Revenue and Customs, which represents senior managers and professionals at HMRC, raised concerns that the proposed rule “may widen perceptions of what is responsible tax planning and so make it harder to tackle tax avoidance”.¹⁶ The proposed rule could send a clear signal to business that rather than being morally repugnant, tax avoidance not covered by this rule is now wholly legitimate.

The alternative: a General Anti-Avoidance Principle

The coalition government has decided to introduce an anti-abuse rule, based on the desire to make the UK more attractive to multinational companies. Yet in making this decision the government rejected the opportunity to introduce a General Anti-Avoidance Principle aimed at tackling tax avoidance, raising revenue, and above all increasing the equity of the tax system by reducing the opportunities for rich individuals and large corporations to reduce their tax contributions.

Many countries including Canada, Hong Kong and Brazil have already implemented similar general anti-avoidance measures, and a similar principle can be seen to have operated in the UK from 1982 to 2001.¹⁷ While a range of different approaches can be applied, a General Anti-Avoidance Principle would establish that if there were tax arrangements which had no commercial purpose apart from reducing tax, and that they were intended to reduce tax, then that constitutes tax avoidance and should not be allowed. Such a principle still allows full scope for companies to use tax reliefs intended by parliament, but would prevent companies setting up tax arrangements that have no real world commercial basis simply to reduce their tax liabilities.

The effectiveness of introducing a General Anti-Avoidance Principle would depend on the exact approach taken in drafting the principle. However, some estimates can be produced to establish how much revenue it could recover in the UK. To assess this we have used estimates of the effectiveness of an anti-avoidance principle and applied these to current estimates of tax revenue lost through tax avoidance (see *appendix for details*). Based on HMRC's conservative figures, a General Anti-Avoidance Principle could recover £2bn per year. However, given that a General Anti-Avoidance Principle would give HMRC powers to tackle tax avoidance beyond what it is currently able to address, it is more accurate to base an assessment on the estimates of tax avoidance published by Tax Research LLP and the TUC. Using these figures, a General Anti-Avoidance Principle could recover an additional £5.5bn in revenue per year.

The government's anti-abuse rule in practice

The last year has seen an explosion of tax abuse scandals, with celebrities, multinational companies and high ranking members of the civil service all becoming embroiled in scandals over their tax affairs. While there has been widespread outrage from the public and MPs, our analysis shows that the government's proposed anti-abuse rule would have made almost no difference in these cases, while an effective General Anti-Avoidance Principle could have proved a powerful tool for HMRC to tackle such tax avoidance.

Starbucks

Starbucks has arguably been the worst hit of all the companies exposed in recent tax avoidance allegations, facing the deepest damage to its brand image, high street protests from UK Uncut and a tough time in front of MPs at the Parliamentary Accounts Committee.¹⁸ According to an investigation by *Reuters*, over the past three years Starbucks reported no profits and paid no corporation tax on sales of £1.2bn in the UK, and has only paid £8.6m in tax in the 14 years the company has operated in the UK.¹⁹

Starbucks is reported to have managed to not make any profit in the UK by:

- Paying high or inflated royalty fees for the use of the Starbucks brand to subsidiaries in low tax countries.
- Importing its coffee beans through Switzerland, a well known tax haven, and the Netherlands, where the company has a secret low tax deal with the Dutch government.²⁰
- Funding the whole UK operation on debt to other Starbucks subsidiaries, paying interest (which is tax deductible in the UK) at high or inflated rates.

All of these arrangements move money made in the UK into subsidiaries in other countries where they could pay lower rates of tax.

The government's proposed anti-abuse rule would not affect Starbucks' tax arrangements; the company would be able to point to evidence that these kinds of arrangements are established practice by other companies, and to argue that there is nothing 'artificial or abusive' about them. If a General Anti-Avoidance Principle were introduced, Starbucks would be forced to prove that buying coffee beans through Switzerland (where none of the coffee beans ever physically go), paying huge royalty fees for an allegedly unprofitable company and very expensive internal loans all had a genuine commercial purpose. If, as seems likely, they were unable to prove this, then these tax arrangements would not be allowed.

Google

Google also stood accused by MPs of being "immoral" over its tax arrangements, after the *Daily Telegraph* reported Google paid just £6m in tax on UK turnover of £395m.²¹ This low rate of tax was reportedly achieved through processing all advertising sales through the company's operations in Ireland, despite Google admitting to MPs that the company employed 700 marketing consultants in the UK.²²

The government's proposed anti-abuse rule would do nothing to affect this situation, as billing sales in different countries is not considered 'artificial or abusive' and Google could again point to evidence that this was established practice amongst other multinational companies. Instead, if a General Anti-Avoidance Principle was introduced, Google would have to prove that there was a commercial substance to the sales being booked in Ireland, and that the sales weren't simply shifted there from the UK to reduce their tax bills.

Amazon

Amazon also entered the tax avoidance spotlight after an investigation by the *Guardian* found that the internet retail giant paid no corporation tax in the UK despite achieving sales of £3.3bn.²³ Amazon have defended their position, claiming that all sales are billed through Luxembourg, and that the UK operation only operates as an "order fulfilment" business. Therefore the company claims all the profits are rightfully declared in the low tax jurisdiction of Luxembourg, not the UK.

Again, the government's proposals would not affect this arrangement as they are not 'artificial or abusive', and there is evidence of established practice elsewhere. Under a General Anti-Avoidance Principle, however, Amazon would be forced to prove that there was real commercial substance to all the profits being billed in Luxembourg, something that may be hard to prove given it only employs 500 people in Luxembourg, compared to 15,000 in the UK.²⁴

Student loans company, the BBC and the civil service

Multinational companies do not have a monopoly on tax avoidance scandals; in the last year, the head of the student loans company,²⁵ more than 2,400 high ranking civil servants²⁶ and at least 1,500 people employed by the BBC²⁷ have all been embroiled in accusations of being paid as if they were companies, rather than as employees. This allows them to avoid National Insurance contributions and to pay tax through the company at a much lower rate than income tax.

While rules do exist to limit the scope for employees being paid through limited companies, the government's proposals would again do nothing to stop these, as they are not 'artificial or abusive', and are self-evidently widespread established practice. If the government instead introduced a General Anti-Avoidance Principle, there would need to be clear proof that it was appropriate for these individuals to be paid through a company, and that the operation of the company was not there solely to reduce their tax liabilities.

Take That & Jimmy Carr

Both comedian Jimmy Carr and three of the stars from the band Take That hit the headlines in June 2012 over their involvement in two separate tax avoidance schemes, leading to David Cameron taking the unprecedented step of calling Carr's involvement in the tax avoidance scheme "morally wrong".²⁸ The scheme Jimmy Carr was involved in, known as K2, used offshore trusts to avoid income tax while the 'Icebreaker 2' scheme Gary Barlow and others were involved in created artificial losses which could then be taken off investors' tax bills in the UK.

While a range of government ministers weighed in with their views on the morality of these celebrities' tax affairs, HMRC were clear that they would be taking legal action against Icebreaker 2 and would challenge K2 "in every available way".²⁹ Given that HMRC had successfully challenged a predecessor to the Icebreaker 2 scheme in court, and that the K2 scheme was covered by a range of existing legislation, such as that for disguised remuneration,³⁰ HMRC already has power to tackle such cases, so the government's proposed anti-abuse rule would add little more.

Conclusions and recommendations

The government's proposed anti-abuse rule will have a negligible impact on tax avoidance, and gives a green light to large businesses and rich individuals to engage in what until now has been considered a grey area of tax avoidance.

Recommendation 1: The government should scrap its plans for an anti-abuse rule and introduce a General Anti-Avoidance Principle based on the need for a fair and equitable tax system.

In order for HMRC to be effective in tackling tax avoidance it needs a strong and capable workforce to take on the tax industry. The government has repeatedly said that it is investing up to £900m in tackling tax avoidance within HMRC. However, that investment is taking place against a backdrop of an overall cut to HMRC's budget of £3bn. Staffing at HMRC has already fallen by a third since 2005, and another 10,000 jobs are set to go by 2015 under the coalition government's plans.³¹

Recommendation 2: The government must stop the cuts to HMRC staff and invest in a strong and effective workforce to tackle tax avoidance.

Transforming the tax system

In the long term deeper reforms are needed. Much of the revenue lost through tax avoidance is as a result of the use of tax havens, either shifting profits into low tax jurisdictions or through using their secrecy to hide activity from tax authorities. While tackling many issues to do with tax havens and their secrecy will require international cooperation, the UK can act unilaterally to tackle its own network of Overseas Territories and Crown Dependencies such as the Cayman Islands or the Channel Islands that are at the heart of this system. War on Want believes the government must do so as a matter of urgency.

Fundamental reforms to the principles of the corporate tax system are also needed; the current scandals of tax avoidance by multinational companies reflect an outdated tax system that treats the national subsidiaries of a multinational company as if they were separate companies, rather than reflecting the fact that they operate as one global company. Introducing a new model where companies are taxed based on where they operate would stop multinationals avoiding tax by shifting profits into low tax jurisdictions.³² It is only through such fundamental reforms that we can transform our tax system to one that meets the needs of people around the world, rather than the interests of rich individuals and multinational companies.

War on Want's campaign for tax justice

War on Want has campaigned for tax justice for over a decade. Tax is a key weapon in the fight against poverty. Taxes paid by companies and individuals enable governments to fund vital public services such as health care, education, clean water and electricity, and to redistribute wealth.

As much as \$32 trillion is held offshore in secrecy jurisdictions (tax havens) and poorer countries are estimated to lose up to \$160 billion per year in tax revenues as a result of transfer mispricing by multinational companies.³³ The City of London plays a vital role in this offshore system as one of the world's financial centres, closely linked to a global network of tax havens including the Cayman Islands and Jersey. Tackling tax avoidance in the UK is a vital part of achieving the wider changes needed to reform the global tax system and achieve tax justice around the world.

War on Want

44-48 Shepherdess Walk
London
NI 7JP

waronwant.org
support@waronwant.org
020 7324 5040

Appendix – Calculations

The government's proposed anti-abuse rule

In HMRC's consultation document on the introduction of an anti-abuse rule and the government's annual estimates of the tax gap, no figures have been published on how much tax is lost through 'artificial and abusive' tax avoidance or how much revenue the government hopes to reclaim through the introduction of its anti-abuse rule.

The government's consultation document on its proposals for an anti-abuse rule highlighted three cases over four years which HMRC lost but believes would have been appropriate targets for the use of its anti-avoidance rule. Analysing the court documents shows the tax revenue at stake in the three cases:

Tax avoidance cases

| Case | Year of case resolution | Total tax at stake |
|---|-------------------------|--------------------|
| HMRC vs D'Arcy ³⁴ | 2007 | £1.5m |
| HMRC v Bank of Ireland Britain Holdings Ltd ³⁵ | 2008 | £3.95m |
| SHIPS 2 ³⁶ (resolved in <i>Mayes v Revenue and Customs Commissioners</i>) | 2011 | £24m |

General Anti-Avoidance Principle

Providing detailed estimates on the effectiveness of a General Anti-Avoidance Principle is difficult, as its impact would depend both upon the exact wording and its application.

Ahead of the 2010 general election, the Liberal Democrats proposed introducing a General Anti-Avoidance Principle (GAAP) and estimated that it would recover 20% of tax lost for income tax, National Insurance contributions (NICs) and capital gains tax, and 25% for corporation tax – figures the Institute for Fiscal Studies accepted in its pre-election assessment of the main parties' tax policies.³⁷

To assess how much revenue would be raised, these estimates of effectiveness need to be applied to estimates of tax currently lost through tax avoidance. In applying their methodology, the Liberal Democrats applied these rates to HMRC's declared figures for tax lost through tax avoidance and legal interpretation, currently estimated at £9bn per year. However, given that a General Anti-Avoidance Principle would give HMRC powers to tackle tax avoidance beyond what it is currently able to address, it is more accurate to base an assessment on the estimates of tax avoidance published by Tax Research LLP and the TUC that shows that £25bn is lost each year through tax avoidance.

HMRC does not provide a breakdown of tax avoidance for income tax, NICs, capital gains tax and corporation tax. However, Tax Research LLP's £25bn is made up roughly half by avoidance by individuals (through income tax, NICs and capital gains tax) and roughly half by corporations, on corporation tax. Applying this ratio to the Liberal Democrat's figures we get an average effectiveness rate of 22.5%, which can then be applied to HMRC's headline rates for avoidance and legal interpretation:

**Tax avoidance
gap (£bn)**

**GAAP
effectiveness (%)**

**GAAP revenue
(£bn)**

Tax Research LLP estimates

| | | | |
|--------------|-------------|------|------------|
| Individuals | 12.9 | 20.0 | 2.6 |
| Corporations | 11.8 | 25.0 | 3.0 |
| Total | 24.7 | | 5.5 |

HMRC estimates

| | | | |
|----------------------|----------|------|------------|
| Avoidance | 5 | 22.5 | 1.1 |
| Legal interpretation | 4 | 22.5 | 0.9 |
| Total | 9 | | 2.0 |

Using these estimates, a General Anti-Avoidance Principle could recover between £2bn and £5.5bn per year from individual and corporate tax avoidance.

References

- 1 Christian Aid (2012) *Majority of British adults say tax avoidance is 'morally wrong'*. 16 August 2012. Available at <http://www.christianaid.org.uk/pressoffice/pressreleases/august-2012/british-adults-tax-avoidance-morally-wrong.aspx>
- 2 HM Revenue & Customs (2012) *Measuring Tax Gaps 2012*. HM Revenue & Customs
- 3 Murphy, R. (2012) *Why are they increasing the tax gap?* Public and Commercial Services Union. p.10
- 4 Murphy, R. (2008) *The Missing Billions: The UK Tax Gap*. TUC.
- 5 HM Treasury & HM Revenue & Customs (2011) *Tackling Tax Avoidance*. HM Treasury & HM Revenue & Customs.
- 6 BBC News (2012) Clegg and Cameron pledge action on firms' tax avoidance. *BBC News online*. 5 January 2012.
- 7 Fernie, F. (2012) George Osborne's new plans to tackle tax avoidance. *BBC News online*. 28 March 2012. & Press Association (2012) George Osborne 'shocked' at level of tax avoidance among wealthy. *The Guardian*. 10 April 2012.
- 8 David Cameron (2012) *Transcript of David Cameron's speech and Q&A at the NACCO Materials handling factory, Northern Ireland*. 20 November 2012. Available at <http://www.number10.gov.uk/news/transcript-g8-northern-ireland/>
- 9 Aaronson, G. (2011) *GAAR Study: A study to consider whether a general anti-avoidance rule should be introduced into the UK tax system*. Available at http://www.hm-treasury.gov.uk/d/gaar_final_report_111111.pdf
- 10 HM Revenue & Customs (2012) *General Anti-Abuse Rule*. HM Treasury. Available at http://www.hm-treasury.gov.uk/d/general_anti_abuse_rule.pdf
- 11 HM Revenue & Customs (2013) *Response to FOI request - FOI 3143112*. [via email] (15 January 2013)
- 12 Chartered Institute of Taxation and Association of Taxation Technicians (2012) *A General Anti-Avoidance Rule for the UK: Response by the Chartered Institute of Taxation and Association of Taxation Technicians*. Available at http://www.att.org.uk/NR/rdonlyres/F2288FA5-4E6D-4758-9E21-79F4034AAF4A/0/120127_GAAR_CIOT_ATT.pdf
- 13 Aaronson, G. (2011) *GAAR Study: A study to consider whether a general anti-avoidance rule should be introduced into the UK tax system*. Available at http://www.hm-treasury.gov.uk/d/gaar_final_report_111111.pdf
- 14 HM Treasury (2010) *The Corporate Tax Roadmap*. HM Treasury.
- 15 HM Revenue & Customs (2012) *A General Anti-Abuse Rule: Summary of Responses*. HM Revenue and Customs. Available at <http://www.hmrc.gov.uk/budget-updates/11dec12/gaar-responses.pdf>
- 16 Association of Revenue and Customs (2012) *Response to 'A study to consider whether a general anti-avoidance rule [GAAR] should be introduced into the UK tax system'*. Available at http://www.att.org.uk/NR/rdonlyres/F2288FA5-4E6D-4758-9E21-79F4034AAF4A/0/120127_GAAR_CIOT_ATT.pdf
- 17 For international examples see *Tax Journal*, 29 June 2012 - http://www.taxjournal.com/tj/files/article_files/TJ_1129_GAARTable.pdf. In the UK it is known as the Ramsay Principle - <http://www.taxationweb.co.uk/tax-articles/general/the-ramsay-principle.html>, See also <http://www.taxresearch.org.uk/Documents/GAntiP.pdf>
- 18 Neville, S. & Maillk, S. (2012) Starbucks wakes up and smells the stench of tax avoidance controversy. *Guardian*. 12 November 2012.
- 19 Bergin, T. (2012) Special Report: How Starbucks avoids UK taxes. *Reuters*. 15 October 2012.
- 20 Ebrahimi, H. (2012) Starbucks, Amazon and Google accused of being 'immoral'. *Telegraph*. 12 November 2012.
- 21 Warman, M. (2012) Google pays just £6m in UK tax. *Telegraph*. 8 August 2012.
- 22 BBC (2012) Starbucks, Google and Amazon grilled over tax avoidance. *BBC News online*. 12 November 2012.
- 23 Griffiths, I. (2012) Amazon: £7bn sales, no UK corporation tax. *Guardian*. 4 April 2012.
- 24 BBC (2012) *ibid*.
- 25 Hope, C. (2012) Chief executive of Student Loans Company allowed to avoid £40,000 a year in tax by Coalition. *Telegraph*. 1 February 2012.
- 26 BBC (2012) Tax avoidance crackdown on senior civil servants. *BBC News online*. 23 May 2012.
- 27 Hope, C. (2012) BBC 'complicit' in tax avoidance for thousands of employees including household names, say MPs. *Telegraph*. 5 October 2012.
- 28 Morris, N. (2012) David Cameron joins the attacks on Jimmy Carr over 'morally wrong' scheme to avoid tax. *Independent*. 21 June 2012. & Bains, I. (2012) Take That stars 'put £26million in music industry investment scheme designed to avoid tax'. *Daily Mail*. 20 June 2012. & BBC News (2012) Jimmy Carr tax affairs 'morally wrong' - Cameron. *BBC News online*. 20 June 2012.
- 29 Furness, H. (2012) Jimmy Carr tax avoidance scheme investigated by HMRC. *Telegraph*. 19 June 2012. & Furness, H. (2012) Take That singers 'invested £26m in scheme to be challenged over tax avoidance' *Telegraph*. 20 June 2012.
- 30 Cumbo, J. (2012) End in sight for 'aggressive' tax planning. *Financial Times*. 22 June 2012.
- 31 Murphy, R. (2012) *Why are they increasing the tax gap?* Public and Commercial Services Union. p.19
- 32 For more information see Piccioto, S. (2012) *Towards Unitary Taxation of Transnational Corporations*. Tax Justice Network. Available at http://www.taxjustice.net/cms/upload/pdf/Towards_Unitary_Taxation_Nov_2012.pdf
- 33 Henry, J. (2012) *The Price Of Offshore Revisited*. Tax Justice Network. & Christian Aid (2008) *Death and taxes: the true toll of tax dodging*. Christian Aid.
- 34 (2007) EWHC 163 (ch).
- 35 (2008) EWCA Civ 58.
- 36 (2011) EWCA Civ 407.
- 37 Adam, S. et al (2010) *Taxes and Benefits: The Parties' Plans*. Institute for Fiscal Studies