



HOUSE OF COMMONS

LONDON SW1A 0AA

Response to UK's Tax Treaties

Thank you for contacting me about tax treaties.

A major focus of the UK's G8 Presidency was tax transparency and combatting offshore tax evasion. This is why the UK promoted the development of the Common Reporting Standard - an information standard for Automatic Exchange of Financial Account Information- to effectively tackle the global problem of tax evasion.

Discussions with Malawi over a new tax treaty have already taken place and my colleagues in Government are hopeful the new treaty can be concluded shortly. This is a matter for the Government of Malawi. However, they have stated that there is no evidence that the current 1955 agreement has motivated British investors to deprive the Government of Malawi of its revenues.

In the UK tax treaties are published and subject to parliamentary scrutiny before they enter into force. A form of approval is usually followed in the corresponding country, so giving a further level of assurance that the terms are acceptable to both Governments.

I agree that there is more that can be done to tackle tax avoidance, evasion and other exploitations of the tax system. I am pleased that significant progress on this issue has been made. For example, the UK Government drove forward the international work on country by country reporting, which provides more information to tax authorities, so that they can investigate larger companies' tax strategies. By making UK-based multinationals publish their tax strategies, it will strongly discourage those who fail to comply with their tax duties.

I am proud that my colleagues in Government are leading the way to ensure that large multinational companies meet their tax obligations- wherever they operate.

Thank you again for taking the time to contact me.

Kind regards,

Edward Timpson

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