Centre Think Tank ISSN 2634-4696

Closing loopholes

Closing tax loopholes and creating a fairer tax system.

Draft white paper

By Torrin Wilkins

October 24th 2022

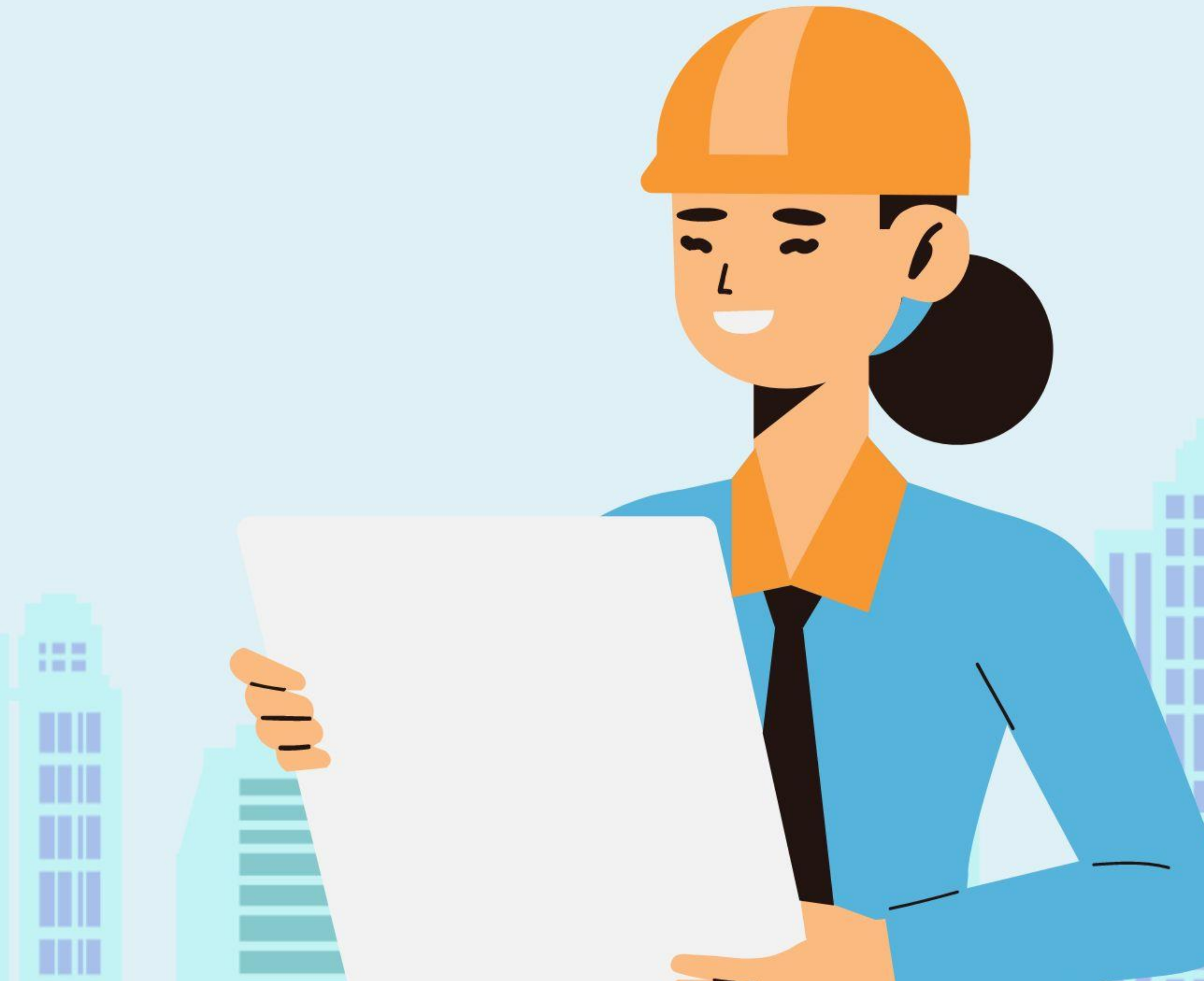
Centre

Commissioned by True & Fair
we all deserve better

About Centre:

Centre is both a Think Tank and a Pressure Group. Our role as a pressure group involves focusing on certain issues that we feel need attention and promoting different causes. We also act as a Think Tank and publish papers exploring different subjects in more depth. By doing this we hope to inform the public more on the different options available and to generate new policy ideas. Centre is also a registered company; its company number is 12406687 and it is registered as CENTRETHINKTANKLTD.

Registered office address: 20-22 Wenlock Road, London, England, N1 7GU



About the True & Fair Party:

The True & Fair Party was founded by Gina Miller in 2022 with the aim of fighting corruption, cleaning up politics and modernising democracy. The Party plans to stand candidates in up to 30 Conservative-held seats across England and Wales at the next general election.

Before launching the Party, Gina Miller founded the True and Fair Campaign in 2012, exposing dubious behaviours and products in the financial services industry. The campaign drafted text in three EU Directives – MiFID II, PRIPS and the Shareholders Directive – all of which vastly improved consumer protection and transparency. In 2017 and 2019 she won legal challenges against two Conservative Prime Ministers attempting to put themselves above the law by excluding Parliament from its legislative constitutional role.

The True & Fair Party commissioned this paper from Centre to look at how the UK can clamp down on tax loopholes as part of its broader campaign to fight corruption and create a fairer tax system. Centre agrees with these goals.

It should be noted that this paper is not an endorsement of True & Fair by Centre.

Centre works with smaller parties and representatives of all large parties to promote and create centrist policies. Centre also continues to have full editorial control for papers commissioned by groups or political parties. Centre would like to thank True & Fair for its policy input whilst writing this paper.

Contents:

About the author:

Torrin Wilkins – Torrin is the Director and Founder of Centre. He has a Political Studies degree from Aberystwyth University. Torrin has written articles for multiple publications including previously writing a weekly column for Backbench.

About the editor:

Jasneet Samrai – Jasneet is the Deputy Director for Centre. They work at Oxfam and was previously a campaign organiser helping to elect 3 MEP's.

Acknowledgements:

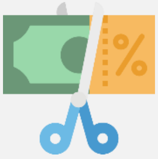
We would like to thank the members of Centre that proofread this paper and all mistakes are those of the author and the author alone. We would also like to thank Rebecca Seeley Harris for her previous and extensive work on umbrella companies.

Serial title and volume number:

Centre Think Tank, Vol 17.

Released: 24/10/2022

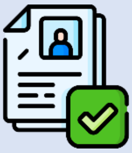
Executive summary:



Through leaked papers the public has seen the scale of tax avoidance and evasion. Closing tax loopholes is an issue that unites political parties and the public.

Political parties should learn both from each other and from the Nordic countries. This will help to develop the political consensus that has been built around the need to tackle loopholes and tax avoidance.

The government should close the carried interest loophole, which would raise £400 million. Clamping down on umbrella agency tax evasion and avoidance would raise £200 million.



The government should ensure HMRC has the information and capacity to tackle tax avoidance. Alongside extra HMRC funding to investigate tax avoidance, this would raise £2.8 billion.

The existing non domicile system should also be replaced with a domicile pathway. This would reduce the time individuals can stay in the UK without paying tax on their full income, raising £2.19 billion.

Taken together, these measures would raise £5.59 billion.

Foreword by the Leader of True & Fair, Gina Miller:

Taxation is a very emotive subject. And whilst tax complicated tax schemes are arguably immoral and unfair, because only those with wealth or big corporates can effectively exploit the loopholes, it is not always illegal.

The laxness of the UK tax system is what needs to be tackled and it will require political will and government to bring in legislation and rules to make the system more robust and fair.

With UK public services in crisis and the threat of austerity measures - caused by the pandemic, Russia's invasion of Ukraine and the Conservative government's fiscal ineptitude - what is blatantly unfair is that tax avoidance, evasion and loopholes are not being closed in a manner that creates a fairer tax system, more tax revenue and therefore less borrowing.

This paper also proposes a better resourced tax office to tackle fraud, increase transparency and improved data collection. These resources are needed to expose mechanisms that big corporations use to make huge profits in the UK, without paying their fair tax share.

As a transparency campaigner in the financial services sector since the Global Financial Crisis in 2008, I know that transparency is key to clamping down on dubious behaviour, boosting a more social-minded culture within corporates and ensuring fairness.

It is time to implement these solutions, to create an equitable tax system and to make sure everyone pays their fair share into the public purse that funds our public services. The present system may not always be illegal - but it is immoral.

Gina Miller

Leader of True & Fair

Introduction:

In recent years tax evasion, tax avoidance and tax havens have become increasingly concerning issues for the public. They are frequently dealt with in party manifestos and during general election campaigns but the in effect they largely still exist.

Numerous leaks and reports have exposed the complex web of offshoring and tax havens, which allow wealthy individuals and corporations to shelter their wealth and reduce their tax bills.

These include:

- The Offshore Leaks papers in 2013.
- The LuxLeaks in 2014.
- The Swiss Leaks in 2015.
- The Panama Papers in 2016.
- The Paradise Papers in 2017.
- The Mauritius Leaks in 2019.
- The FinCEN Files.
- The Cyprus Papers in 2020.
- The Pandora Papers in 2021.
- The Suisse secrets leak
- Dubai Uncovered in 2022.

As a result, some progress has been made on tackling tax avoidance and evasion.

This paper makes the case that the UK needs to go further to create a fairer tax system. To achieve this the paper sets out a range of measures, including reforming non dom status, transparency measures for companies, and clamping down on loopholes, such as the carried interest loophole.

It also proposes a Fair Tax Office and increased funding for HMRC to bolster their investigative capacity to tackle fraud and loopholes.

Part one

The case for closing tax loopholes

The aim of this paper is to promote policies that create a fairer, more transparent, efficient tax system.

1. **Transparency**. The public should be able to see that all individuals and companies are paying a fair amount of tax and contributing to the financial stability of public services and the country's greater good.

2. **Fairness**. Tax rules and regulations should be in place to mitigate against wealthy people and companies having the resources and access to experts to avoid paying their fair tax share. Increasing public funds by closing loopholes and removing unfairness from the tax system should be a governmental priority.

3. **Trust**. Everyone, no matter their income, should be able to trust that if they pay their fair share of tax, others will do so as well. The rules are so weak that they unfairly favour those with wealth and money.

These should be non-negotiable principles in today's modern society. It is not just a perception but reality that the present weak system benefits the wealthiest, who can access a professional network of expensive advisers.

For corporations, there is also a knock-on effect in terms of brand equity. A recent YouGov poll found 34% of British people are less likely to purchase from brands that don't pay their taxes.

YouGov polling, 11th July 2022[1].

[1] YouGov, Will Brits purchase from a brand even if they do not pay their taxes?. Available at: https://yougov.co.uk/topics/consumer/trackers/will-brits-purchase-from-a-brand-even-if-they-do-not-pay-their-taxes. [Accessed 13th October 2022].

Businesses need to consider their social capital, brand reputation, and consumers and employee trust in them when it comes to paying their fair share in taxes. There are also wider business benefits as their taxes fund, for example, the NHS and education system, which in turn benefits businesses through a healthier, more skilled workforce. It has repeatedly been shown that political stability and access to workers along with other markets is more important that the tax rate[2]. Taxes also help to create a stable environment for businesses. This ranges from reducing the levels of crime and theft to spending on defence and environmental protections.

A coherent plan to closing tax loopholes is a win/win and benefits businesses, government, society, and individuals.

[2] World Economic Forum, Is corporation tax good or bad for growth?. Available at: https://www.weforum.org/agenda/2020/01/corporation-tax-good-or-bad-for-growth/ [Accessed 13th October 2022].

Part two

Lifting the lid on the scale of the issue

According to HMRC, the tax gap is the difference between the amount of money that should be paid to them, and the amount that is actually paid[3]. At the moment, the tax gap is 5.1%, which HMRC estimates is equivalent to a loss of £32 billion[4] - almost equivalent to the UK's entire housing and environment public sector budget in 2021[5].

This tax gap is created by several factors. For some individuals or businesses, it may be accidental. Errors might be made by individuals in declaring how much tax they owe or an overstretched HMRC, resulting in long delays and miscalculations. These problems must be resolved through even more bureaucracy.

Sometimes it may be intentional: such as businesses paying workers cash in hand directly or companies being able to avoid their taxes by taking alternative legal interpretations of their obligations to HMRC, using expensive experts. The varied reasons for this gap suggest the need for multiple policy solutions to tackle and clean it up. However, a simple and dynamic decision to close the tax gap is to better fund HMRC.

Tax gap calculations from HMRC allow us to calculate the estimated governmental loss, but they do not necessarily include the amount that is lost in tax avoidance and evasion. This means that the figure that tax policy reform can raise for the Treasury - and subsequently the amount that is lost through tax avoidance or evasion - is much higher. This is because the tax gap can only calculate money that is lost under current legislation, and not the amount that is lost via weak tax laws riddled with loopholes and escape routes.

Internationally, the real scale of the issue requires looking at how much money ends up in tax havens and trying to work out how much this impacts UK tax revenue. However, the Pandora Papers, along with the numerous leaks in the years before and after, have begun to lift the lid on the amounts sheltered in tax havens.

The Tax Justice Network figures on tax havens estimate that between $21 to $32 trillion in financial assets[6] sit in tax havens. A futher $427 billion[7] is lost in tax revenue across the world as a result of money in tax havens. It is unclear how much

---

[3] GOV.UK, Tax gaps: Main findings. https://www.gov.uk/government/statistics/measuring-tax-gaps/tax-gaps-main-findings. Available at: [Accessed 13th October 2022].

[4] GOV.UK, Tax gaps: Summary. Available at: https://www.gov.uk/government/statistics/measuring-tax-gaps/1-tax-gaps-summary [Accessed 13th October 2022].

[5] HM Treasury, 'PROTECTING THE JOBS AND LIVELIHOODS OF THE BRITISH PEOPLE' (London, Her Majesty's Treasury, 2021), p. 5.

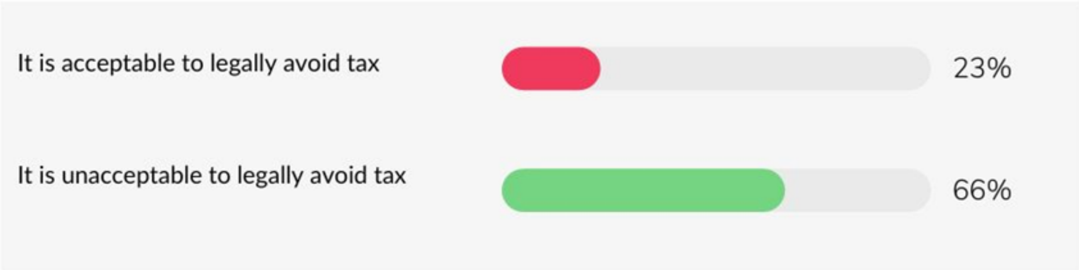
[6] Tax Justice Network, How much money is in tax havens?. Available at: https://taxjustice.net/faq/how-much-money-is-in-tax-havens/#:~:text=An%20%2421%20to%20%2432%20trillion,every%20year%20to%20tax%20havens [Accessed 13th October 2022].

[7] Tax Justice Network, How much money is in tax havens?. Available at: https://taxjustice.net/faq/how-much-money-is-in-tax-havens/#:~:text=An%20%2421%20to%20%2432%20trillion,every%20year%20to%20tax%20havens [Accessed 13th October 2022].

money the UK loses due to tax havens[8]. Estimates, however, range from £33 billion to £122 billion to in 2014 to 15[9].

There is clearly significant public support for dealing with both corporations and individuals who avoid paying tax. The challenge is to mobilise this public support to influence government policy, without deterring those who pay taxes from coming to the UK.

Is it acceptable to legally avoid tax?



YouGov polling, 5th September 2022[10].

[8] Financial Times, UK admits it has no idea how much tax is being evaded through offshore assets. Available at: https://www.ft.com/content/a14162d0-0f65-4c63-842e-e0778516d03a. [Accessed 13th October 2022].
[9] Full Fact, Tax dodging: how big is the problem?. Available at: https://fullfact.org/economy/tax-gap/. [Accessed 13th October 2022].
[10] YouGov, Is it acceptable to legally avoid tax?. Available at: https://yougov.co.uk/topics/politics/trackers/is-it-acceptable-to-legally-avoid-tax. [Accessed 13th October 2022].

Part three

Lessons from other countries

This section reviews measures in place by the Nordic countries and the EU. These measures are designed to clamp down on tax evasion and avoidance, helping to inform the UK's approach.

Denmark

The Danish Tax Authority has focused on this issue and created the Centre for International Corporate Tax to focus further on the calculation and settlement of corporation tax bills[11]. They have also focused on transfer pricing which is used to move profits out of tax havens.

Denmark made use of their data and information on tax avoidance by preventing them accessing financial aid during the pandemic[12]. These are clear consequences for companies that try to avoid paying tax in the country, although this is only limited to the tax haven blacklist created by the EU.

Denmark also has stricter rules around how long residents need to be in the country before they need to pay tax on their worldwide income. A resident pays taxes after six months and they are liable to pay tax for all of their worldwide income[13].

Norway

Norway has rules on residents who work in Norway and at what point they begin paying tax. "A person becomes tax resident in Norway if their stay in Norway exceeds 183 days during a 12-month period, or 270 days during a 36-month period. The

[11] Kromann Reumert, Denmark: New measures introduced to curb the use of tax havens. Available at: https://kromannreumert.com/en/news/denmark-new-measures-introduced-to-curb-the-use-of-tax-havens. [Accessed 13th October 2022].
[12] Nordic Policy Centre, Denmark bars tax haven companies from Covid-19 financial aid. Available at: https://www.nordicpolicycentre.org.au/denmark_bars_tax_haven_companies_from_covid_19_financial_aid. [Accessed 13th October 2022].
[13] KPMG, Thinking Beyond Borders for Denmark. Available at: https://home.kpmg/xx/en/home/insights/2021/11/denmark-thinking-beyond-borders.html. [Accessed 13th October 2022].

general rule is that a person who is a tax resident in Norway is liable to tax on their worldwide income and wealth.”[14]

To deal with avoidance in Norway "...the tax office may disregard transactions or structures if the dominant motive is to save taxes and the tax effects of entering into the transaction or structure are regarded as disloyal to the tax system"[15] giving the tax office flexibility to deal with new or novel ways to avoid paying tax.

Sweden

The Swedish approach to tackling corporate tax avoidance and evasion has focused heavily on international solutions. There have also been attempts to focus on tackling the sources of tax avoidance and evasion. In part “The Swedish Government will appoint an inquiry to look into a potential introduction of an obligation by tax advisers to inform the Swedish Tax Agency about tax planning schemes”[16].

In Sweden an individual also needs to pay tax on their income after six months even if they are staying for just two days a week[17].

Finland

In Finland there is a large focus on investigating tax avoidance with a recent example of “Companies [which] are founded with the business model to evade the withholding tax. The founders have included both Finnish and foreign persons. We have launched

---

[14] KPMG, Thinking Beyond Borders for Norway. Available at: https://home.kpmg/xx/en/home/insights/2021/07/norway-thinking-beyond-borders.html. [Accessed 13th October 2022].

[15] Magnus Legal, Corporate tax in Norway - The basics for non-Norwegian enterprises. Available at: https://blogg.magnuslegal.no/en/corporate-tax-in-norway-the-basics-for-non-norwegian-enterprises. [Accessed 13th October 2022].

[16] Government Offices of Sweden, Counteracting tax evasion, tax avoidance and money laundering. Available at: https://www.government.se/information-material/2016/05/counteracting-tax-evasion-tax-avoidance-and-money-laundering/ [Accessed 13th October 2022].

[17] KPMG, Thinking Beyond Borders for Sweden. Available at: https://home.kpmg/xx/en/home/insights/2021/06/sweden-thinking-beyond-borders.html. [Accessed 13th October 2022].

a number of inspections and, based on them, will likely issue orders for additional tax payments"[18] which involved share transfers.

Becoming a resident in Finland means paying tax on their worldwide income, this happens after staying in Finland for more than six months or if they have a permanent home or a habitual abode there[19].

International

There are several schemes to tackle tax avoidance and evasion of which the UK is already part of. The EU, for example, created the Anti-Tax Avoidance Directive, which attempts to clamp down on companies avoiding tax or trying to move profits to lower tax companies. The UK has already adopted these rules, even though we are no longer an EU member[20].

The key lessons the UK can learn from the Nordic countries and the EU include:

- Norway, Sweden, Finland and Denmark rules mean individuals pay tax after a certain amount of time within the country, mostly after six months; this is much shorter than the UK currently offers. It would be relatively easy for the UK to change its rules around non dom status to rules like those in Nordic countries.

- Within these countries tax avoidance and evasion is the remit of their respective Tax Authorities. Of course, this relies on them having the powers and recourses needed but in the case of Norway it is very clear.

- Countries like Denmark collect information about companies that avoid tax and penalise them. This included not giving some companies access to support schemes during the COVID-19 pandemic.

- A significant focus by all of these countries is to increase international cooperation on tackling tax havens.

---

[18] Helsinki Times, Finnish Tax Administration has found dozens of companies set up to evade taxes. Available at: https://www.helsinkitimes.fi/finland/finland-news/domestic/21721-finnish-tax-administration-has-found-dozens-of-companies-set-up-to-evade-taxes.html. [Accessed 13th October 2022].

[19] KPMG, Thinking Beyond Borders for Finland. Available at: https://home.kpmg/xx/en/home/insights/2021/07/finland-thinking-beyond-borders.html. [Accessed 13th October 2022].

[20] BBC News, Brexit: Claims about EU tax rules fact-checked. Available at: https://www.bbc.co.uk/news/50168357. [Accessed 13th October 2022].

Part four

Taxing corporates

Corporations should pay their fair share of taxes in the countries they are making profits. However, far too many find ways to reduce, even avoid, their tax bills. One of the most notorious companies is Amazon, which, despite in 2020 making sales income of €44bn in Europe, paid no corporation tax[21].

Tax avoidance and evasion can take many forms and methods vary between companies. One common method is a firm selling intangible assets to a subsidiary to lower their tax in a high tax area whilst increasing their profits in a low tax area[22], as well as hiding money in tax havens.

Increasing transparency and exposing loopholes:

To discourage and close the loopholes on corporate tax evasion and avoidance, the UK should adopt a series of measures, including:

- Ensure that HMRC is aware of the sale or purchase of non-tangible assets. An abridged version of these reports should also be publicly available from Companies House. These public reports should, however, ensure that no trade secrets are released in the process.

- A new blacklist should be drawn up by the government, expanding on the EU tax haven blacklist, including all tax havens. This should also be accompanied by a new list of companies and wealthy individuals that use tax havens.

- Strengthen the Overseas Entities Register to ensure that all ultimate beneficial owner or owners are registered. With the current list "In many of the worst cases the overseas entity is holding the land as a mere nominee. Where this occurs, then the ultimate beneficial owner will not be declared on the list"[23].

This will increase transparency and will help the government to clamp down on money laundering by individuals or companies.

- **Trusts:** A public register of large UK Trusts or Trusts that are either active or operating within the UK. This should include beneficiaries and all assets controlled by the Trust in a similar way to public company accounts.

---

[21] The Guardian, Amazon had sales income of €44bn in Europe in 2020 but paid no corporation tax. Available at: https://www.theguardian.com/technology/2021/may/04/amazon-sales-income-europe-corporation-tax-luxembourg. [Accessed 13th October 2022].
[22] PIIE, Some of the ways multinational companies reduce their tax bills. Available at: https://www.piie.com/research/piie-charts/some-ways-multinational-companies-reduce-their-tax-bills. [Accessed 13th October 2022].
[23] Centre Think Tank, Clamping down on money laundering. Available at: https://centrethinktank.co.uk/2022/03/29/clamping-down-on-money-laundering/. [Accessed 13th October 2022].

- **Name and shame:** A government run website listing all companies found to be evading and avoiding paying tax. This would include the amount of money they avoided or evaded, the amount of tax they should have fairly paid, and any fined applicable.

  It would also include more general analysis of how much tax avoidance, evasion and loopholes cost the UK each year. An example is the research carried out by Tax Watch on companies in the UK that avoid tax but on a wider scale[24]. The list would also build on the existing list of named tax avoidance schemes, promoters, enablers and suppliers[25]. The aim would be to increase consumer awareness that would lead to consumer pressure on these companies to improve their corporate culture and behaviour or risk losing consumers. This, alongside fines, would act as a deterrent for companies seeking to avoid tax.

- Introduce tougher legislation to ensure large corporations release full and public tax returns. The law should also increase the amount of information that needs to be included in tax returns for larger corporations. The format and methodology would be expanded in conjunction with HMRC.

Clamping down on tax evasion

The penalties for tax evasion or for not following the new transparency rules should include:

- Removing future access to income support schemes or investment relief schemes, like those put in place during COVID-19. However, the government should step in to ensure individual workers are supported.

- Ban companies that evade or avoid tax from applying for public contracts.

- Introducing a harsh fine for non-compliance with new transparency tax rules. The fine should consider the size of the company including its turnover and number of employees in a similar way to GDPR or as proposed in the new UK Online Safety Bill.

---

[24] Tax Watch UK, Eight tech companies in the UK avoided an estimated £1.5bn in 2019 – New Research. Available at: https://www.taxwatchuk.org/tech_companies_2019_update/. [Accessed 17th October 2022].
[25] GOV. UK, Current list of named tax avoidance schemes, promoters, enablers and suppliers. Available at: https://www.gov.uk/government/publications/named-tax-avoidance-schemes-promoters-enablers-and-suppliers/current-list-of-named-tax-avoidance-schemes-promoters-enablers-and-suppliers#if-youre-involved-in-a-tax-avoidance-scheme. [Accessed 18th October 2022].

Expanding the capacity of HMRC

Attempts to reduce tax avoidance and evasion will be limited in their effectiveness without increased funding and resourcing for HMRC.

During the pandemic HMRC struggled to cope with both increased demand and having to respond to COVID-19[26]. Even without a pandemic, the government "…allocates significantly more resources (relative to the tax and benefits gaps) to compliance in the benefits system than in the tax system"[27].

Government policy should focus on rebalancing funding for HMRC as the multi-payback is evident. HMRC had a running cost of £4.9 billion between 2021 and 2022[28]. This should be increased by at least £200 million a year which equates to only a "0.5p cost of collecting taxes for every £1 in tax revenue"[29]. This increased budget should also be used to increase the number of staff employed by HMRC, and the number of investigations into tax fraud carried out by high-net-worth individuals and large corporates.

Investigations into large companies by HMRC's investigations into the UK's biggest firms generate £69 in extra tax revenue for every £1 invested"[30]. Whilst a portion of the £200 million investment would be used for staff retainment and recruitment, investing in a more robust investigations team should see a large return. There is also a need to update the costly and outdated technology being used by HMRC. Digital transformation is essential to increase efficiency and effectiveness. Better data collection and analysis would also help to transform the collecting of taxes and stamping out fraud. As a result of this investment and the wide-ranging transparency measures tax revenues would increase.

If just 25% of this extra funding goes towards tackling bigger firms' tax evasion, this would result in £50 million of funding to unlock £3.45 billion of additional tax revenue.

A cautious estimate of revenue raised from both large and smaller investigations could potentially raise £3 billion. When reduced to account for extra HMRC spending the revenue raised would be £2.8 billion.

[26] National Audit Office, 'Managing tax debt through the pandemic' (London, HM Revenue & Customs, 2021), p. 7.
[27] Tax Watch UK, Equality before the law?. Available at: https://www.taxwatchuk.org/tax_crime_vs_benefits_crime/. [Accessed 13th October 2022].
[28] HMRC, 'Annual Report and Accounts 2021 to 2022' (London, HMRC, 2022), p. 7.
[29] GOV.UK, HMRC's annual report and accounts 2021 to 2022: performance overview. Available at: https://www.gov.uk/government/publications/hmrc-annual-report-and-accounts-2021-to-2022/hmrcs-annual-report-and-accounts-2021-to-2022-performance-overview. [Accessed 15th October 2022].
[30] City AM, HMRC's investigations into UK's biggest firms generate £69 in extra tax revenue for every £1 invested. Available at: https://www.cityam.com/hmrcs-investigations-into-uks-biggest-firms-generate-69-in-extra-tax-revenue-for-every-1-invested/ [Accessed 15th October 2022].

Closing loopholes

<u>Carried interest loophole:</u>

This loophole involves charging capital gains tax on "carried interest" rather than income tax. Carried interest is currently used by private equity companies and their executives to reduce the amount of tax they pay as capital gains tax is lower than income tax rates.

The UK government did take some action on this issue and increased tax rates on 'carried interest' income for investments held for less than 40 months[31]. However, it has still left the loophole in place for those holding them for more than 40 months.

To estimate the revenue brought in by this policy any calculation must first consider the changes to taxation for income for carried interest held below 40 months. These changes were predicted to bring in an additional £210 million[32].

Research by 38 Degrees before the 40-month tax rule estimated that the carried interest loophole cost the government between £280 million and £700 million a year[33]. With the 40-month rule included the 38 Degrees estimate can be updated to between £70 million and £490 million. More recently, the Labour Party estimated in 2021 that this would still be predicted to still raise £500 million[34].

With some caution built into the estimate, closing the carried interest loophole would raise an additional £400 million in revenue.

<u>Tackling umbrella agency tax evasion:</u>

Umbrella companies hire temporary workers on behalf of employment agencies and [35]then hire them out to their clients[36]. These companies need futher regulation from the government to ensure they aren't avoiding tax. This can happen by avoiding tax as a company or failing to pay employees properly reducing income tax and national insurance contributions for the government. This issue is widespread as **"umbrella and related schemes are estimated to cost workers/HMRC £1 billion per annum through a number of tax avoidance schemes"[37].** Umbrella companies have been involved in a number of other tax avoidance and evasion schemes. One such scheme used investment payments to reduce the tax bill for employees whilst the company

[31] 38 Degrees, The Mayfair Loophole: update. Available at: https://home.38degrees.org.uk/2016/09/28/mayfair-loophole-update/. [Accessed 13th October 2022].
[32] 38 Degrees, The Mayfair Loophole: update. Available at: https://home.38degrees.org.uk/2016/09/28/mayfair-loophole-update/. [Accessed 13th October 2022].
[33] 38 Degrees, 'Getting serious: how the UK government helps private equity executives to pay lower tax rates than nurses and teachers, and what could be done about it' (London, 38 Degrees, 2014), p. 14.
[34] The Guardian, Labour plans to raise £500m by closing fund managers' tax loophole. Available at: https://www.theguardian.com/politics/2021/sep/19/labour-plans-to-raise-500m-by-closing-fund-managers-tax-loophole. [Accessed 13th October 2022].
[35] Labour Party, 'Labour Tax Transparency and Enforcement Programme' (London, Labour Party, 2017), p. 1-4.
[36] GOV.UK, Working through an umbrella company. Available at: https://www.gov.uk/guidance/working-through-an-umbrella-company. [Accessed 13th October 2022].
[37] Rebecca Seeley Harris, 'Umbrella companies Call for Regulation' (London, Rebecca Seeley Harris, 2021), p. 4.

also takes a share of the money in fees[38]. Another scheme, which resulted in a £1 million fine, involved paying employees in part using loans from an offshore trust in Jersey[39].

One instance is “A conservative estimate of the value of unpaid holiday pay in 2016 was at least £1.8bn. The additional income tax collected on this basis would equate to £300 million”[40]. Another estimate was that £100 million is being lost a year from schemes to reduce National Insurance bills[41]. A futher scheme cost "..."hundreds of millions of pounds" in lost taxes”[42] and involved setting up multiple companies to make more money off of the Employment Allowance.

These instances of tax avoidance and evasion by umbrella companies show the large amounts of money being lost by the government in tax revenues. At least £500 million in revenue has been lost due to these companies.

A report[43] by Rebecca Seeley Harris sets out a wide range of measures the government could take on issues including holiday pay, improving payslips and Key Information Documents alongside proper enforcement systems for umbrella companies. The government should look to implement all the measures in this report, bar those already actioned. For example, the position of Director of Labour Market Enforcement has now been filled by Margaret Beels.

Total estimated additional revenue from clamping down on umbrella corporations is at least £200 million.

International policy proposals

Whilst there are areas the UK can work alone, working with other countries is vital to tackle international tax avoidance and evasion. The government should pursue the following policies abroad:

- The UK to push internationally for the OEDC Global Minimum Corporation Tax to increase from 15% to 21%.

---

[38] BBC, ‘'Unscrupulous' firms targeting key workers’. Available at: https://www.bbc.co.uk/news/business-52935252. [Accessed 13th October 2022].
[39] Churchillknight, ‘HMRC fines promoter of tax avoidance scheme £1 million’. . Available at: https://www.churchill-knight.co.uk/blog/2022/08/hmrc-fines-promoter-tax-avoidance-scheme/. [Accessed 13th October 2022].
[40] Rebecca Seeley Harris, ‘Umbrella companies Call for Regulation’ (London, Rebecca Seeley Harris, 2021), p. 13.
[41] The Guardian, Revealed: temp agencies' tax avoidance scheme costs 'hundreds of millions'. Available at: https://www.theguardian.com/uk-news/2016/nov/15/revealed-temp-agencies-avoidance-scheme-costs-taxpayers-hundreds-of-millions. [Accessed 13th October 2022].
[42] BBC, ‘Thousands recruited to front UK firms in 'tax dodge'’, Available at: https://www.bbc.co.uk/news/uk-57021128. [Accessed 13th October 2022].
[43] Rebecca Seeley Harris, ‘Umbrella companies Call for Regulation’ (London, Rebecca Seeley Harris, 2021), p. 1-31.

- Support more companies paying the pillar 2 aspect of the Global Minimum Corporation Tax. This ensures the tax revenue from companies is shared more equally with the areas they actually make the money in.

- Encourage countries that have not yet joined the Global Corporation Tax agreement to sign-up. This includes numerous African countries who have not yet signed up.

- Support the creation of a UN Tax body. This has already been proposed by Ecuador and would create international standards for tax collection between countries.

Whilst these measures are harder to achieve and require international support, they would be the most impactful.

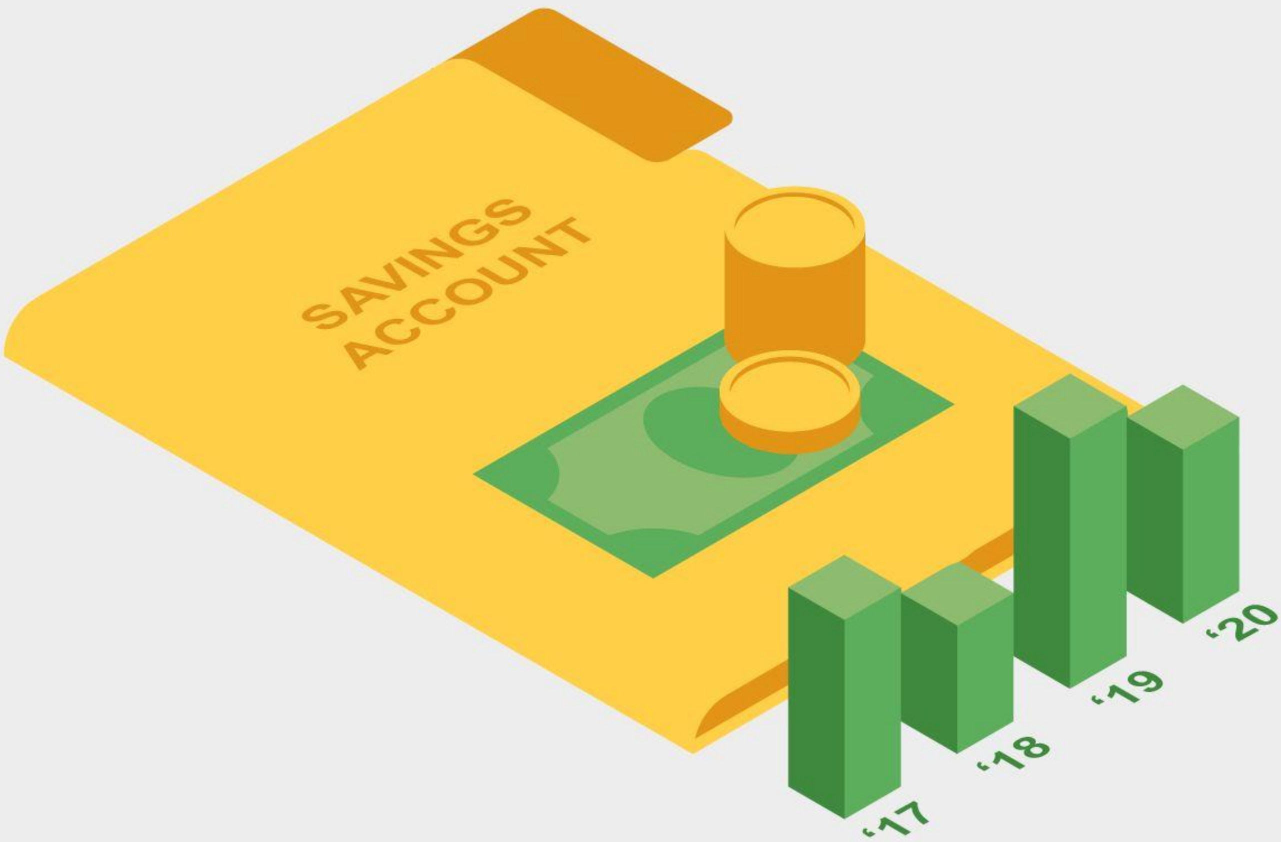
Government reviews:

Alongside the more concrete measures the government should also hold reviews to understand the issues futher. These include:

- Carry out a review into merging capital gains and dividends tax rates with income tax rates. Loopholes such as the carried interest loophole exist due to the difference between the rates of capital gains tax and income tax. Merging these rates would remove these discrepancies more widely in the tax system.
- A review into tax avoidance and how the government can clamp down on other forms of tax evasion of avoidance.

Part five

Ending non dom status



Having non dom status means that whilst an individual is a resident of the UK their permanent home is outside of the UK. With non dom status an individual only pays tax on income or capital gains made within the UK[44] rather than on their full worldwide income.

Whilst in principle non dom status appears to be a gateway for individuals looking to move to the UK, it is essentially a scheme to avoid tax whilst retaining the benefits of living in the UK. The individuals that currently use non domicile status are often richer individuals. **One in five bankers have claimed the status at some point and, overall, it is disproportionately used by richer individuals[45].**

The existing system remains far too generous to those with large amounts of wealth, even with changes brought in from 2008. For instance, from 2008[46] onwards individuals with non dom stats could be charged either £30,000 or £60,000[47] depending on how long they have been a resident within the UK. This charge is a derisory amount and not a replacement for these individuals paying tax on their worldwide income and raises very little in revenue each year.

It is also easy to use the system for extremely long periods of time without paying any tax. Whilst an individual's non dom status only lasts 15 years, they can simply move away for five years[48], move back to the UK after that time period and they can then stay in the UK for another 15 years.

Reforming non dom status would impact 68,300[49] people who had non dom status at the end of 2021. It would also end the remittance basis charge, offering a clear path to becoming a taxpayer within the UK, for in effect people what are in effect resident in the UK.

---

[44] GOV.UK, Tax on foreign income. Available at: https://www.gov.uk/tax-foreign-income/non-domiciled-residents. [Accessed 13th October 2022].

[45] LSE, One in five bankers claims non-dom tax status. Available at: https://www.lse.ac.uk/News/Latest-news-from-LSE/2022/d-Apr-22/Non-doms. [Accessed 13th October 2022].

[46] GOV.UK, Residence, Domicile and Remittance Basis Manual. Available at: https://www.gov.uk/hmrc-internal-manuals/residence-domicile-and-remittance-basis/rdrm31010#:~:text=The%20main%20features%20of%20the,who%20claim%20the%20remittance%20basis. [Accessed 13th October 2022].

[47] GOV.UK, Remittance basis changes. Available at: https://www.gov.uk/guidance/remittance-basis-changes#content. [Accessed 13th October 2022].

[48] City, What is a non-dom? An expert answers questions about the tax status claimed by Rishi Sunak's wife and other wealthy people. Available at: https://www.city.ac.uk/news-and-events/news/2022/04/what-is-a-non-dom-an-expert-answers-questions-about-the-tax-status-claimed-by-rishi-sunaks-wife-and-other-wealthy-people#:~:text=Non%2Ddomicile%2C%20or%20non%2D,only%20on%20their%20UK%20income. [Accessed 13th October 2022].

[49] GOV.UK, Statistical commentary on non-domiciled taxpayers in the UK. Available at: https://www.gov.uk/government/statistics/statistics-on-non-domiciled-taxpayers-in-the-uk/statistical-commentary-on-non-domiciled-taxpayers-in-the-uk--2#:~:text=Non%2Ddomiciled%20taxpayers%20and%20taxes,-Figure%202%3A%20Number&text=five%20tax%20years-,We%20estimate%20that%20there%20were%2068%2C300%20individuals%20claiming%20non%2Ddomiciled,the%20tax%20year%20ending%202021. [Accessed 13th October 2022].

To achieve the current system should be replaced by a new 'domicile pathway'.

Removing non dom status completely would tax individuals on both their income and capital gains. However, this also leaves those moving to the UK with no time before they are taxed at full rates. Therefore, a proposed system should include special tax regimes (STRs) for individuals coming to the UK, so we continue to attract talent from abroad.

One example is Italy which created a tax incentive scheme to attract skilled expat Italians back to specific parts of Italy. As of January 2021, the Italian government introduced a series of incentives, in the form of special tax regimes STRs, attracting new tax residents to the territory of the country. These STRs were introduced through Law. Most regions in the country offer a 70% tax cut to newly registered tax residents.

Individuals moving to the UK therefore shouldn't pay tax on their worldwide earnings for the first 365 days in the UK but they will still pay tax on money earned in the UK. To ensure this is only used by individuals who want to move to the UK several restrictions should be put in place.

Similar to the model used by Norway, the UK should introduce a new system governing how long an individual can stay in the UK for until they need to pay tax on their worldwide income. For example, a non dom living in the UK for more than 365 days would pay tax on all of their worldwide income.

The UK should also adopt the same rules as Finland which ensure individuals pay tax on their worldwide income if they own a home for more than 365 days as this impacts public services.

Whilst this may seem like a short period of time, one year is double what most Nordic countries give individuals living in their respective countries. It also ensures that the tax breaks are only used for those moving to the UK rather than individuals looking for favourable tax status.

The overall revenue that would be raised by reforming non dom status would be £2.4 billion[50]. However, some individuals under the new domicile pathway may end up staying in the UK for up to a year before they end up paying tax on their worldwide income reducing the overall figure by £210 million[51].

A total of £2.19 billion could therefore be raised by replacing non dom status.

[50] University of Warwick, 'Reforming the non-dom regime: revenue estimates' (Warwick, CAGE Warwick and the LSE International Inequalities Institute, 2022), p. 14.
[51] University of Warwick, 'Reforming the non-dom regime: revenue estimates' (Warwick, CAGE Warwick and the LSE International Inequalities Institute, 2022), p. 14.

Part six

Tackling future loopholes

Whilst closing loopholes around corporation tax and reforming non dom status will help to end loopholes, these are only first steps. Ensuring governments in the future continue to close tax loopholes and avoid creating them in the first place we need a new tax office.

A Fair Tax Office (FTO)

As has been previously mentioned the solutions put forward by political parties have often involved offices to fix tax loopholes.

A new Fair Tax Office should be modelled on the existing Office for Tax Simplification, and tasked with the following functions:

- Identifying tax loopholes, inequalities and inconsistencies in current legislation. It should also work on proposals and solutions to minimise tax avoidance and evasion loopholes.

- Reviewing new proposed laws for any potential tax loopholes that could be created and how these loopholes could be closed. As well as assessing value for money of new rules and regulations.

- As online fraud has not been included in the Online Safety Bill and is not covered by the FCA or stretched police forces, the new FTO's legislative perimeter should include online financial fraud, digital taxes and how we can ensure companies operating online pay their fair share.

It would then be down to the government of the day to implement or reject proposals made by the office. If proposals are rejected then the government would need to respond with their reason for not implemented the proposals or what measures they will implement instead.

Part seven

Tightening rules on tax avoidance and tax evasion

This paper recommends the following measures:

Learn from other countries on tax loopholes

The UK should look to the Nordic countries to learn from them on policies around tax avoidance and evasion.

Ensuring companies pay their fair share

This includes closing the carried interest loophole, tackling umbrella agency tax loopholes and clear repercussions for companies and individuals that evade and avoid tax.

The amounts raised through these measures are:

- Closing the carried interest loophole would raise £400 million,
- Clamping down on umbrella corporations would raise £200 million.
- Increasing transparency and HMRC funding to investigate tax avoidance would raise £2.8 billion.

Expand the capacity and resourcing of HMRC

Extra funding, increased staffing and upgrading technology would ensure HMRC can deal with both tax avoidance and evasion properly. It would also arm HMRC and The Treasury with invaluable data.

A new domicile pathway

This would end non dom status and replacing it with a tighter New Domicile Pathway system. The proposals outline in this report would raise an estimated £2.19 billion.

The total amount of money that these tax policies would raise is: £5.59 billion.

Bibliography

World Economic Forum, Is corporation tax good or bad for growth?. Available at: https://www.weforum.org/agenda/2020/01/corporation-tax-good-or-bad-for-growth/ [Accessed 13th October 2022].

GOV.UK, Tax gaps: Main findings. https://www.gov.uk/government/statistics/measuring-tax-gaps/tax-gaps-main-findings. Available at: [Accessed 13th October 2022].

GOV.UK, Tax gaps: Summary. Available at: https://www.gov.uk/government/statistics/measuring-tax-gaps/1-tax-gaps-summary [Accessed 13th October 2022].

HM Treasury, 'PROTECTING THE JOBS AND LIVELIHOODS OF THE BRITISH PEOPLE' (London, Her Majesty's Treasury, 2021)

Tax Justice Network, How much money is in tax havens?. Available at: https://taxjustice.net/faq/how-much-money-is-in-tax-havens/#:~:text=An%20%2421%20to%20%2432%20trillion,every%20year%20to%20tax%20havens [Accessed 13th October 2022].

Tax Justice Network, How much money is in tax havens?. Available at: https://taxjustice.net/faq/how-much-money-is-in-tax-havens/#:~:text=An%20%2421%20to%20%2432%20trillion,every%20year%20to%20tax%20havens [Accessed 13th October 2022].

Financial Times, UK admits it has no idea how much tax is being evaded through offshore assets. Available at: https://www.ft.com/content/a14162d0-0f65-4c63-842e-e0778516d03a. [Accessed 13th October 2022].

Full Fact, Tax dodging: how big is the problem?. Available at: https://fullfact.org/economy/tax-gap/. [Accessed 13th October 2022].

YouGov, Will Brits purchase from a brand even if they do not pay their taxes?. Available at: https://yougov.co.uk/topics/consumer/trackers/will-brits-purchase-from-a-brand-even-if-they-do-not-pay-their-taxes. [Accessed 13th October 2022].

YouGov, Is it acceptable to legally avoid tax?. Available at: https://yougov.co.uk/topics/politics/trackers/is-it-acceptable-to-legally-avoid-tax. [Accessed 13th October 2022].

Labour Party, 'Labour Tax Transparency and Enforcement Programme' (London, Labour Party, 2017)

Kromann Reumert, Denmark: New measures introduced to curb the use of tax havens. Available at: https://kromannreumert.com/en/news/denmark-new-measures-introduced-to-curb-the-use-of-tax-havens. [Accessed 13th October 2022].

Nordic Policy Centre, Denmark bars tax haven companies from Covid-19 financial aid. Available at: https://www.nordicpolicycentre.org.au/denmark_bars_tax_haven_companies_from_covid_19_financial_aid. [Accessed 13th October 2022].

KPMG, Thinking Beyond Borders for Denmark. Available at: https://home.kpmg/xx/en/home/insights/2021/11/denmark-thinking-beyond-borders.html. [Accessed 13th October 2022].

KPMG, Thinking Beyond Borders for Norway. Available at: https://home.kpmg/xx/en/home/insights/2021/07/norway-thinking-beyond-borders.html. [Accessed 13th October 2022].

Magnus Legal, Corporate tax in Norway - The basics for non-Norwegian enterprises. Available at: https://blogg.magnuslegal.no/en/corporate-tax-in-norway-the-basics-for-non-norwegian-enterprises. [Accessed 13th October 2022].

KPMG, Thinking Beyond Borders for Sweden. Available at: https://home.kpmg/xx/en/home/insights/2021/06/sweden-thinking-beyond-borders.html. [Accessed 13th October 2022].

Helsinki Times, Finnish Tax Administration has found dozens of companies set up to evade taxes. Available at: https://www.helsinkitimes.fi/finland/finland-news/domestic/21721-finnish-tax-administration-has-found-dozens-of-companies-set-up-to-evade-taxes.html. [Accessed 13th October 2022].

Government Offices of Sweden, Counteracting tax evasion, tax avoidance and money laundering. Available at: https://www.government.se/information-material/2016/05/counteracting-tax-evasion-tax-avoidance-and-money-laundering/ [Accessed 13th October 2022].

KPMG, Thinking Beyond Borders for Finland. Available at: https://home.kpmg/xx/en/home/insights/2021/07/finland-thinking-beyond-borders.html. [Accessed 13th October 2022].

BBC News, Brexit: Claims about EU tax rules fact-checked. Available at: https://www.bbc.co.uk/news/50168357. [Accessed 13th October 2022].

The Guardian, Amazon had sales income of €44bn in Europe in 2020 but paid no corporation tax. Available at: https://www.theguardian.com/technology/2021/may/04/amazon-sales-income-europe-corporation-tax-luxembourg. [Accessed 13th October 2022].

PIIE, Some of the ways multinational companies reduce their tax bills. Available at: https://www.piie.com/research/piie-charts/some-ways-multinational-companies-reduce-their-tax-bills. [Accessed 13th October 2022].

Tax Watch UK, Equality before the law?. Available at: https://www.taxwatchuk.org/tax_crime_vs_benefits_crime/. [Accessed 13th October 2022].

National Audit Office, 'Managing tax debt through the pandemic' (London, HM Revenue & Customs, 2021)

HMRC, 'Annual Report and Accounts 2021 to 2022' (London, HMRC, 2022)

38 Degrees, The Mayfair Loophole: update. Available at: https://home.38degrees.org.uk/2016/09/28/mayfair-loophole-update/. [Accessed 13th October 2022].

The Guardian, Labour plans to raise £500m by closing fund managers' tax loophole. Available at: https://www.theguardian.com/politics/2021/sep/19/labour-plans-to-raise-500m-by-closing-fund-managers-tax-loophole. [Accessed 13th October 2022].

38 Degrees, 'Getting serious: how the UK government helps private equity executives to pay lower tax rates than nurses and teachers, and what could be done about it' (London, 38 Degrees, 2014)

OBR, The effect of incorporations on tax receipts. Available at: https://obr.uk/box/the-effect-of-incorporations-on-tax-receipts/. [Accessed 13th October 2022].

Twitter, UK economy is on life support - Govt must act now!. Available at: https://twitter.com/VoteTrueAndFair/status/1580167809065111553 [Accessed 13th October 2022].

GOV.UK. Available at: https://www.gov.uk/government/publications/rates-and-allowances-corporation-tax/rates-and-allowances-corporation-tax#:~:text=The%20Corporation%20Tax%20main%20rate%20will%2C%20therefore%2C%20remain%20at,19%25%20from%201%20April%202023. [Accessed 13th October 2022].

EC.Europa, Global Agreement on Corporate Taxation: Frequently asked questions. Available at: https://ec.europa.eu/commission/presscorner/detail/cs/qanda_21_3564. [Accessed 13th October 2022].

GOV.UK, Tax on foreign income. Available at: https://www.gov.uk/tax-foreign-income/non-domiciled-residents. [Accessed 13th October 2022].

LSE, One in five bankers claims non-dom tax status. Available at: https://www.lse.ac.uk/News/Latest-news-from-LSE/2022/d-Apr-22/Non-doms. [Accessed 13th October 2022].

GOV.UK, Residence, Domicile and Remittance Basis Manual. Available at: https://www.gov.uk/hmrc-internal-manuals/residence-domicile-and-remittance-basis/rdrm31010#:~:text=The%20main%20features%20of%20the,who%20claim%20the%20remittance%20basis. [Accessed 13th October 2022].

GOV.UK, Remittance basis changes. Available at: https://www.gov.uk/guidance/remittance-basis-changes#content. [Accessed 13th October 2022].

City, What is a non-dom? An expert answers questions about the tax status claimed by Rishi Sunak's wife and other wealthy people. Available at: https://www.city.ac.uk/news-and-events/news/2022/04/what-is-a-non-dom-an-expert-answers-questions-about-the-tax-status-claimed-by-rishi-sunaks-wife-and-other-wealthy-people#:~:text=Non%2Ddomicile%2C%20or%20non%2D,only%20on%20their%20UK%20income. [Accessed 13th October 2022].

GOV.UK, Statistical commentary on non-domiciled taxpayers in the UK. Available at: https://www.gov.uk/government/statistics/statistics-on-non-domiciled-taxpayers-in-the-uk/statistical-commentary-on-non-domiciled-taxpayers-in-the-uk--2#:~:text=Non%2Ddomiciled%20taxpayers%20and%20taxes,-Figure%202%3A%20Number&text=five%20tax%20years-,We%20estimate%20that%20there%20were%2068%2C300%20individuals%20claiming%20non%2Ddomiciled,the%20tax%20year%20ending%202021. [Accessed 13th October 2022].

Rebecca Seeley Harris, 'Umbrella companies Call for Regulation' (London, Rebecca Seeley Harris, 2021)

GOV.UK, Chancellor announces new Growth Plan with biggest package of tax cuts in generations. Available at: https://www.gov.uk/government/news/chancellor-announces-new-growth-plan-with-biggest-package-of-tax-cuts-in-generations. [Accessed 13th October 2022].

Policy Engine, Population Impact. Available at: https://policyengine.org/uk/population-impact?basic_rate=19&sdlt_on_non_first_home_2_rate=0&sdlt_on_non_first_home_2_threshold=0&sdlt_first_time_buyer_value_limit=625000. [Accessed 13th October 2022].

The Independent, Kwarteng confirms further cuts of up to £18bn for public services. Available at: https://www.independent.co.uk/independentpremium/uk-news/kwarteng-cuts-tax-truss-budget-b2195340.html?utm_content=Echobox&utm_medium=Social&utm_campaign=Main&utm_source=Twitter#Echobox=1664898714. [Accessed 13th October 2022].

Sky News, 'If they give me less I'll be homeless': Fears that Universal Credit cuts could push some over the edge. Available at: https://news.sky.com/story/if-they-give-me-less-ill-be-homeless-fears-that-universal-credit-cuts-could-push-some-over-the-edge-12708480. [Accessed 13th October 2022].

I News, Liz Truss's approval rating plummets to 18% after mini-budget is revealed. Available at: https://inews.co.uk/news/politics/liz-trusss-approval-rating-plummets-to-18-after-mini-budget-is-revealed-1889357. [Accessed 13th October 2022].

University of Warwick, 'Reforming the non-dom regime: revenue estimates' (Warwick, CAGE Warwick and the LSE International Inequalities Institute, 2022)

GOV.UK, HMRC's annual report and accounts 2021 to 2022: performance overview. Available at: https://www.gov.uk/government/publications/hmrc-annual-report-and-accounts-2021-to-2022/hmrcs-annual-report-and-accounts-2021-to-2022-performance-overview. [Accessed 15th October 2022].

City AM, HMRC's investigations into UK's biggest firms generate £69 in extra tax revenue for every £1 invested. Available at: https://www.cityam.com/hmrcs-investigations-into-uks-biggest-firms-generate-69-in-extra-tax-revenue-for-every-1-invested/ [Accessed 15th October 2022].

University of Warwick, 'The UK's 'non-doms': Who are they, what do they do, and where do they live?' (Warwick, CAGE Warwick and the LSE International Inequalities Institute, 2022)

Policy Engine, Population impact. Available at: https://policyengine.org/uk/population-impact?basic_rate=19&sdlt_on_non_first_home_2_rate=0&sdlt_first_time_buyer_value_limit=625000&sdlt_on_first_time_buyer_homes_2_threshold=425000&UC_work_allowance_with_housing=300&UC_reduction_rate=70&UC_work_allowance_without_housing=500&CB_additional=10_14. [Accessed 15th October 2022].

Centre Think Tank, Clamping down on money laundering. Available at: https://centrethinktank.co.uk/2022/03/29/clamping-down-on-money-laundering/. [Accessed 13th October 2022].

Attributions:
By Keith Edkins - Own work, CC BY-SA 4.0, https://commons.wikimedia.org/w/index.php?curid=72916485

BBC, ''Unscrupulous' firms targeting key workers'. Available at: https://www.bbc.co.uk/news/business-52935252. [Accessed 13th October 2022].

Churchillknight, 'HMRC fines promoter of tax avoidance scheme £1 million'. . Available at: https://www.churchill-knight.co.uk/blog/2022/08/hmrc-fines-promoter-tax-avoidance-scheme/. [Accessed 13th October 2022].

BBC, 'Thousands recruited to front UK firms in 'tax dodge'', Available at: https://www.bbc.co.uk/news/uk-57021128. [Accessed 13th October 2022].

GOV. UK, Current list of named tax avoidance schemes, promoters, enablers and suppliers. Available at: https://www.gov.uk/government/publications/named-tax-avoidance-schemes-promoters-enablers-and-suppliers/current-list-of-named-tax-avoidance-schemes-promoters-enablers-and-suppliers#if-youre-involved-in-a-tax-avoidance-scheme. [Accessed 18th October 2022].

Flaticons:

Icon made by Freepik from www.flaticon.com

Icon made by photo3idea_studio from www.flaticon.com

Icon made by Smashicons from www.flaticon.com

Author Disclosure Statement

Nothing to disclose.

To reference this paper:

Reference as a Non-Governmental Organization (NGO):

Centre Think Tank, ‘Closing loopholes’ (London, Centre Think Tank, 2022)

Reference the website link:

Centre Think Tank, *Closing loopholes*. Available at: https://centrethinktank.co.uk/closing-loopholes/ [Accessed 00/00/0000].

Reference as a journal article:

Wilkins, T. ‘Closing loopholes’, *Centre Think Tank*, 17 (2022) pp. 1-40.

If you indirectly reference or use the ideas from this paper, include a link to the paper and the name of our Think Tank.