LABOUR'S FAIR TAX PROGRAMME

Vote Labour Thursday 12 December

1. ENHANCED TRANSPARENCY

Inquiry into the finance sector

A Labour Government will launch a twelve-month independent inquiry into the UK finance sector. The inquiry will tackle practices that have caused public concern; the role played by participants in the finance sector, including hedge funds and private equity; how good our regulation is; and whether the rules for our finance sector need changing. It will be informed by the Australian Royal Commission into Banking, Superannuation and Financial Services.

Public register of trusts

Trusts are a key vehicle for tax avoidance and illicit financial flows. They are often used to avoid inheritance tax, with assets placed in a trust so they aren't counted as what's inherited. Labour will create a public register of trusts, going beyond the existing (non-public) Trust Registration Service. Access will not be limited to those with a 'legitimate interest', which is the position under the current Trust Registration Service. The public trust register will include all trusts that operate through the UK. We'll also review penalties for non-compliance to ensure compliance.

Strengthened public register of company beneficial ownership

Labour will strengthen the UK's public register of 'beneficial ownership' – a register of who really controls companies – to create a more robust and transparent register with accurate and up-to-date information. This would include reducing the threshold for disclosure of shareholders to include all shareholders, not just those with over 25% of shares. Increased verification of information will prevent companies from hiding behind sham shareholders and directors. Finally, no overseas company will be permitted to be a director of any UK company without meeting UK transparency standards.

Public filing of large company tax returns

Labour will require all large companies (using the definition in the Companies Act 2006) to file their tax returns publicly, along with related documents, at Companies House. This will help the public know where companies are avoiding tax and will give parliamentary committees the power to ask searching questions of the companies and HMRC.

Public filing of tax returns of wealthy individuals

The public has lost faith that our tax system is a level playing field, with multinationals dodging tax and the wealthy getting away with contributing very little. Labour will erode this secrecy by making the tax returns of wealthy individuals publicly available. This would be required for all individuals earning over £1 million. This system of public filing, following the lead of Scandinavian countries, should inform public debate on income and wealth inequality.

Excessive pay levy

The social harms of inequality are well-known: and high pay in particular causes over-payment across industries (known as 'the contagion effect')[1] as well as other macroeconomic harms.[2] Over the last decade, chief executive earnings have increased four times as much as national earnings.[3] As announced in 2017, we will establish a small graduated levy on companies paying out high incomes: 2.5% for income paid above £300,000; 5% for income paid above £500,000; and 7.5% for income paid above £1 million. Legislation introducing the levy will take a broad view of what counts as 'pay' so that companies cannot dodge the levy.

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[1] Alex Edmans, Xavier Gabaix, and Dirk Jenter, 'Executive Compensation: A Survey of Theory and Evidence', LSE and CEPR, 13 July 2017, available online at http://personal.lse.ac.uk/jenter/Handbook_20170713P.pdf, at p. 91.

[2] Prem Sikka et al, 'Controlling Executive Remuneration: Securing Fairer Distribution of Income', November 2018, available online at http://visar.csustan.edu/aaba/LabourExecutiveRemunerationReview2018.pdf, at pp. 13-14.

[3] House of Lords Business, Energy and Industrial Strategy Committee, 'Executive rewards: paying for success', Eighteenth Report of Session 2017–2019, printed 20 March 2019, available online at https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/2018/2018.pdf, at p. 3.

Action on tax avoidance and evasion in Crown Dependencies and Overseas Territories

Ongoing work is being undertaken to secure financial transparency in British Overseas Territories and Crown Dependencies. These jurisdictions have been able to serve as tax havens whose opaque financial structures allow the wealthy to avoid and evade tax and launder money. A Labour Government will help increase transparency by working with Overseas Territories and Crown Dependencies to implement public registers of beneficial ownership. Labour will also call a summit with all Overseas Territories and Crown Dependencies to draw up a roadmap, including indicating where capacity-building support is needed, to achieve greater financial transparency.

Advance Thin Capitalisation Agreements

Labour in government will conduct a comprehensive review of existing Advance Thin Capitalisation Agreements (ATCAs), agreements that aim to give multinational companies certainty about elements of their tax liability but are often used by companies to avoid taxation. Labour will adopt a general presumption against making these deals, with the aim of drastically reducing the number of ATCAs.

Greater scrutiny of MPs

Labour will review the parliamentary Register of Members' Financial Interests, which has gaps in coverage and arguably does not impose sufficient scrutiny of MPs. Labour will consult on whether there is enough disclosure of links with trusts and offshore holdings, to end the practice of MPs holding financial interests in tax havens.

Public contract transparency

All companies tendering for public contracts will have to disclose publicly their beneficial owners (who really controls them), whether UK-based or overseas. This will ensure the public is well-informed about the beneficiaries of public contracting, in order to lift standards in public contracting as well as to end anti-competitive practices, which is consistent with existing law.

Work with the banking sector to improve transparency

A Labour Government will engage with the banking sector, in order to have ongoing discussions about whether existing law – such as the law on knowing receipt and dishonest assistance – protects consumers enough and is robust for preventing financial misconduct.

2. STRONGER LAW, ENFORCEMENT, AND SUPPORT FOR HM REVENUE AND CUSTOMS ON TAX AVOIDANCE AND EVASION

A General Anti-Avoidance Rule

The current General Anti-Abuse Rule is weak, complicated, and shielded from being properly applied by a General Anti-Abuse Advisory Panel. It contains a 'double reasonableness' test – arrangements fall afoul of the rule if they "cannot reasonably be regarded as a reasonable course of action" – which is vague and difficult to prove. As recommended by academic experts,[4] we will remove the unnecessary layer created by an Advisory Panel needing to approve prosecution, and replace the General Anti-Abuse Rule with a more robust and wide-reaching General Anti-Avoidance Rule, based on the New Zealand model. This will crack down on tax avoidance measures that escape specific anti-avoidance rules, and will help to catch exploitative use of trust and company structures in order to minimise tax. Overseas jurisprudence can be relied upon, and the courts' interpretation of a British General Anti-Avoidance Rule can provide clear yardsticks for what is deemed to be unacceptable tax avoidance in other areas of policy.

Clamping down on enablers of tax avoidance and evasion

In Government Labour will introduce a package of measures so that enablers can no longer profit so freely from facilitating tax avoidance and evasion. Enablers include accountants, auditors, lawyers, and other professionals. Labour will strengthen the law on failing to prevent the facilitation of tax evasion (in particular, tightening the defence of reasonable prevention procedures); introduce harsher penalties for promoters of tax avoidance and evasion; consult on extending the Suspicious Activity Regime to tax avoidance; and refer to the Law Commission whether lawyers' use of legal professional privilege is facilitating tax avoidance and evasion, and whether the law should be changed to restrict this.

[4] See, for example: Michael Littlewood, 'Legislating against tax avoidance' [2019] New Zealand Law Journal 695.

Properly resourcing HMRC

HMRC has been decimated by cuts by successive Conservative governments. HMRC employed 104,000 staff in 2006 and employed 60,000 by 2019. The ‘Building Our Future’ office closure downsizing has reduced HMRC’s regional reach. In 2017 alone, HMRC lost 17,000 years of experience through redundancies.[5] A Labour Government will set up an intelligence-led taskforce (including past and present HMRC staff, relevant trade unions, tax practitioners, academics, accountants and business representatives, and informed observers like the Tax Justice Network) to make recommendations about consolidating HMRC as a significant and essential part of the core machinery of government. Moves towards restoring resourcing will mean HMRC can enforce court decisions consistently (for example, to ensure money earned by sports players from offshore image rights is counted as income),[6] and continue to develop targeted inquiries (for example, into landlord tax avoidance).

Increase targeted audits done by HMRC

The majority of the missing £8 billion owed in tax by those on self-assessment is owed by 2% of self-assessment taxpayers: around 220,000 individuals.[7] At the same time, the number of audits by HMRC to try to capture that money has fallen sharply over time: between 1999 and 2009, the number of audits fell from 350,000 to 150,000.[8] An increase of 200,000 audits – which will be done as part of restoring power and resources to HMRC – is likely to raise £2.9 billion annually through direct and indirect effects.[9]

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[5] Figures collated by the Public and Commercial Services Union.
[6] *Hull City AFC (Tigers) Ltd* [20190] TC 07074.
[7] http://www.smf.co.uk/publications/uncollected-tax-revenue-underpaying/?doing_wp_cron=1570113585.9854259490966796875000.
[8] http://www.smf.co.uk/wp-content/uploads/2019/06/SMFBriefing_Advani_TaxCompliance-final-version.pdf.
[9] See Arun Advani, ‘Who does and doesn’t pay taxes?’ Institute for Fiscal Studies, IFS Briefing not BN218, at p. 15; Arun Advani, ‘Uncollected tax revenue – who is underpaying and what we should do about it’, CAGE/Social Market Foundation, June 2019, at p. 4.

Introduce more robust third-party information reporting within HMRC

Third party information reporting is widely acknowledged to minimise tax evasion and avoidance.[10] This is where alternative sources of information are used to verify tax data. HMRC has discussed greater use of third party information reporting, but proper resourcing will ensure systems of third party information reporting can be upgraded.

Extending the time limit for HMRC corporation tax investigations of offshore transactions

It can take HMRC a long time to investigate offshore transactions that engage in opaque financial vehicles. Shorter time limits can lead to premature closure of investigations that might identify avoidance and evasion, and discourage it in future. Labour would extend the time limit for HMRC to assess corporation tax in cases involving offshore income and gains. HMRC would be given 12 years to investigate in these cases in line with cases involving income, inheritance and capital gains tax, closing a loophole created by the Government for corporations.

Fully restore HMRC's preferred creditor status

HMRC was a preferential creditor for insolvent businesses and individuals until 2002, but since then has dropped down the pecking order of who must be paid out in cases of insolvency. This has meant debts can be avoided though they are due to HMRC. In the 2018 Budget it was announced that HMRC would become a 'secondary' preferential creditor again. But this means that HMRC is only a preferred creditor for certain kinds of taxes, not for corporation tax. There is a strong case for HMRC to be a preferred creditor across the board, to ensure certainty and given that HMRC contributes (through tax collection and maintenance of general rules) to the general operating environment from which all businesses benefit. HMRC has not yet shifted its status.

[10] See https://eml.berkeley.edu/~saez/kleven-knudsen-kreiner-pedersen-saezNBER10taxaudit.pdf.

Launch a public inquiry into avoidance and evasion

Labour will launch a 9-month public inquiry to investigate common tools of avoidance and evasion, and recommend policy measures to eliminate these tools. In particular, the inquiry will consider the use of offshore trusts, and whether there is the case for taxing further distributions from trusts or imposing a withholding tax on certain distributions from trusts, payable by trustees. As well, the inquiry will investigate the tax treatment of equity and debt, to inquire into whether steps should be taken to ensure debt and equity are treated equally for taxation purposes.

No public contracts for tax dodgers

Existing law (including EU law) allows government and local authorities to exclude tenderers for public contractors where a company has breached its tax obligations. The government or local authority may also exclude a tenderer where there has been grave professional misconduct that calls into question a company's integrity. These parts of the existing law are not being used to their full potential. A Labour Government will ensure any company that has failed to pay its fair share of tax is excluded from tendering. It will also encourage local authorities to do the same, and to share information about companies that have violated their tax obligations internationally. Public contractors should meet the highest standards, including in the payment of tax.

Tackle dormant companies

16% of all UK companies – 715,360 companies – are not asked to submit tax returns.[11] Many of these companies are considered dormant by HMRC as they self-declare but are no longer trading. The information provided when registering as dormant is not exposed to verification to ensure the accuracy of the information and dormant status is generally not reviewed for 5 years. A Labour Government will implement proper verification procedures and require the annual confirmation of dormancy. A Labour Government will also work with the banking sector to improve reporting procedures on dormant companies.

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[11] https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-09-25/291077/

3. ELIMINATING LEGAL LOOPHOLES THAT ENCOURAGE AVOIDANCE

Scrapping non-dom status

The non-dom rule is a colonial hangover, introduced in 1799 to shelter British colonialists with foreign property from tax. It is an exception to the usual rule that UK tax residents pay tax on income and gains, wherever in the world they are made. Non-doms can pay a remittance basis charge if they have spent significant periods of time overseas, or pay tax on income remitted; but these rules are shot through with loopholes, even after reforms in recent years. There continue to be almost 80,000 people claiming non-dom status; slight reductions in numbers generally come from people switching to domiciled status.[12] A Labour Government will scrap the status altogether in our first Budget, consulting on whether there is a need for an exception for foreign residents in the United Kingdom for a short period of time.

Incorporation avoidance

Tax incentives and changes in criteria for incorporation have led to a rapid increase in the number of individuals self-incorporating. Labour will review changes made in the Companies Act 2006 that allowed single director incorporations, which would make it more difficult to individuals to participate in incorporation avoidance. Labour have also proposed an increase in corporation tax that would make it less lucrative to incorporate.

Closing the Eurobond loophole

The Channel Island Stock Exchange is a recognized stock exchange under section 841 of the UK Income and Corporation Taxes Act 1988 and securities listed at that Exchange enjoy exemptions from withholding tax even though the securities may be held by

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[12] See https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/823486/statistical_commentary_on_non-domiciled_UK_taxpayers.pdf.

opaque companies. UK companies can make interest payments without any withholding tax. The recipient usually arranges their tax affairs in such a way as they are able to escape tax altogether. Independent estimates have put the tax lost at £0.5 billion per year.[13] Consideration will be given to whether there is a case for de-recognising the Channel Islands Stock Exchange.

Clamping down on umbrella agencies

One type of aggressive tax avoidance scheme used by some temp recruitment agencies depend on workers' contracts being transferred from a single employment agency into thousands of tiny companies, each one of which can claim up to £3000 in Employment Allowance. The Government has made some attempt to restrict access to the Employment Allowance. Labour will ensure HMRC has resources to tackle these schemes where they are used to avoid or evade tax.

Removing the 'trading exemption' capital gains tax loophole for foreign investors

Almost all major UK commercial property is held by large corporates or collective investment schemes or trusts. The Government has created a loophole meaning that foreign investors involved with commercial property transactions do not have to pay capital gains tax due to a 'trading exemption'. Labour would close this loophole by removing this exemption and replacing it with an exemption targeted at small investors with a £1 million limit.

Tightening anti-enveloping rules

Anti-enveloping rules prevent developers from avoiding taxation by selling assets that derive their value from land rather than the land itself which often involves selling shares of property holding companies. Current laws give foreign investors an advantage in this through an exemption that means capital gains tax is only paid if an investor owns more than 25% of the company. Labour would establish a £1 million limit on this exemption to prevent it being used as a mechanism for tax avoidance.

[13] See https://www.independent.co.uk/news/uk/politics/eurobonds-scandal-the-high-street-giants-avoiding-millions-in-tax-8897591.html.

Upfront payments for fragmented profits cases

‘Profit fragmentation’ schemes allow UK hedge fund and private equity managers to divert profits to an offshore entity where little or no tax is paid. Profits will then come back to them through complex offshore trust structures. Labour will deter individuals from engaging in these schemes by introducing reforms requiring them to pay back the tax owed immediately as an enquiry into their scheme opens.

4. CROSS-BORDER ACTION ON TAX AVOIDANCE AND EVASION

Full country-by-country reporting

A Labour Government will ensure country-by-country reporting is fully implemented domestically, and will continue to cooperate internationally to introduce full country-by-country reporting across jurisdictions.

Introduce an Overseas Loan Transparency Act

A Labour Government will ensure loans made to foreign governments are disclosed on a public register if they are to be enforceable in British courts.[14] A series of secret loans have been made from UK-based companies to foreign governments, such as Mozambique's, resulting in non-payment and significant harm for populations from the Global South. An Overseas Loan Transparency Act will set up a register to aim to put an end to these practices.

A withholding tax for tax havens

Labour will draw up a list of tax havens, considering the approaches adopted by the OECD, European Union, France, Portugal, and elsewhere. With a legal definition of a 'tax haven' adopted, a Labour Government will introduce sanctions against tax havens to make clear that low-tax or no-tax jurisdictions cause social and economic harm, and should be discouraged. We will consult on the introduction of a withholding tax levied against any dividend, interest and royalties to individuals or companies in abusive tax havens. This will be deducted at source before any payment is made and remitted to HMRC. The consultation will consider the relationship between a withholding tax and double taxation treaties.

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[14] https://labour.org.uk/press/labour-announces-plans-overseas-loan-transparency-act/.

Introduce an Offshore Company Property Levy

A Labour Government will introduce an additional charge on purchases by offshore companies and trusts of UK residential property, supplementary to existing stamp duties.[15] A company purchasing residential property benefits from the UK's infrastructure and legal framework, and ought to pay a small levy to acknowledge that. This can also play a role in cooling the housing market, preventing illicit flows, and raising revenue for decaying public services. UK-based tax advantages of holding UK property through offshore companies have been restricted, but perceived benefits remain significant, including in terms of privacy and secrecy, as well as advantages of being located offshore. The additional levy will be set at 20%, at a similar rate to analogous offshore buyers' taxes that exist in Canada, Singapore, Australia, and elsewhere.[16] It will apply to foreign companies as well as trusts, to avoid easy avoidance opportunities. This can be estimated to raise **£3.3 billion** a year, taking into account behavioural change and uprating for a figure for year 5 of a Labour government.

Greater support for bodies working on international tax justice

The Trust Fund for International Cooperation in Tax Matters was established in July 2006, in order to support the activities of the UN Committee of Experts on International Cooperation in Tax Matters. That Committee tackles tax challenges, in particular those facing the Global South, like transfer pricing and multinational tax. In 2017 India voluntarily donated to the UN Trust Fund with an initial donation of $100,000. Norway gave £3 million over three years from June 2019. A Labour Government will commit to becoming the third country to help fund the expanding work of the UN Tax Committee; the Chancellor will liaise with the Foreign Office and DFID to determine the appropriate sum. A Labour Government will also continue to raise, in multilateral channels, whether there is a need for a more robust UN body with oversight of international tax matters.[17]

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[15] Existing relevant charges include the Stamp Duty Land Tax (paid at 15% by UK-based and offshore companies on certain specified property, but shot through with loopholes and applying only to some properties) and the annual tax on enveloped dwellings.

[16] The Singapore Additional Buyer's Stamp Duty was recently increased to 20%, although this duty applies to foreign individuals buying residential property: https://www.iras.gov.sg/irashome/Other-Taxes/Stamp-Duty-for-Property/Working-out-your-Stamp-Duty/Buying-or-Acquiring-Property/What-is-the-Duty-that-I-Need-to-Pay-as-a-Buyer-or-Transferee-of-Residential-Property/Additional-Buyer-s-Stamp-Duty--ABSD-/.

[17] See https://www.taxjustice.net/2015/06/19/10-reasons-why-an-intergovernmental-un-tax-body-will-benefit-everyone/. This commitment will come from the UK's Official Development Assistance (ODA).

A review of double taxation agreements

A Labour Government will convene an expert working group to conduct a review of the UK's network of double tax treaties (DTTs), paying particular attention to the role of these treaties in facilitating tax avoidance in the UK and by UK companies in the Global South and reviewing these treaties in light of the principles of 'Policy Coherence for Development'.[18] The UK's DTTs have been criticised by tax justice campaigners[19] who believe that the elements of the UK's DTTs, particularly in relation to royalties, are being exploited by multinational companies to shift profits and avoid tax in the UK. The UK's DTTs have also been identified as an issue in cases of avoidance in developing countries. The review would analyse the scale of the issue and identify ways to address it, with a view to recommending renegotiating of treaties causing concern.

Global recognition of tax avoidance as an 'Illicit Financial Flow'

'Illicit Financial Flows' (IFFs) is an umbrella term for criminal, unlawful, and immoral financial flows: activities including tax evasion, money laundering and terrorist financing. Many in the development community categorise tax avoidance as a type of IFF, including the United Nations Economic Commission for Africa, which has established a panel leading the world on IFFs. A Labour Government will advocate for tax avoidance to be seen as an Illicit Financial Flow in international institutions such as the UN, OECD, G7 and G20. This would help tax avoidance to be seen as an issue of global importance and lead to further research and international cooperation within these institutions in relation to tax avoidance.[20]

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[18] See https://ec.europa.eu/europeaid/policies/policy-coherence-development_en.
[19] See https://www.taxjustice.net/topics/corporate-tax/tax-treaties/.
[20] See https://www.ictd.ac/blog/why-tax-avoidance-is-illicit/.

APPENDIX: YIELD DETAILS

Background details of calculations used to reach predicted yields are outlined below. In total, Labour's 2019 Fair Tax Programme is estimated to raise **£6.2 billion** for the Exchequer. This is a conservative estimate. We have made no estimates of the direct effect of stronger law, such as the General Anti-Avoidance Rule or clamping down on enablers of tax avoidance and evasion. We have made no estimates of the indirect effects of other reforms, such as ending public contracts for tax avoiders. There are other reforms, such as the scrapping of non-dom status, which have been previously estimated to raise £1 billion;[21] however, we have declined to assume that yield out of abundance of caution. We have also declined to attach likely yields to two measures (restoring preferred creditor status to HMRC and establishing an Excessive Pay Levy), each of which were estimated to raise over £1 billion in our 2017 policy proposals. It may be that we have under-estimated the yield that would flow from the 35-point plan described above.

Policy and Costing Background	Annual Yield (and Background)
200,000 more targeted audits done by HMRC	**£2.9 billion** • Given HMRC's success rate of around 73%,[22] 300,000 audits would likely catch the 220,000 self-assessment taxpayers that owe half of the missing revenue in self-assessment.[23] Assuming 100,000 existing audits, 200,000 audits would meet the need. • Targeted audits were estimated to raise at least £10,260 as a conservative figure as at 2009 (including £6,080 in direct yield and an indirect yield that assumes a similar indirect yield for

[21] See https://www.theguardian.com/news/reality-check/2015/apr/08/how-much-would-ending-non-dom-tax-status-raise-britain.
[22] https://www.ifs.org.uk/uploads/BN218.pdf.
[23] See http://www.smf.co.uk/wp-content/uploads/2019/06/SMFBriefing_Advani_TaxCompliance-final-version.pdf.

	those with the top 20% of reported incomes, £4,180).[24] A more generous estimate is that the indirect effect is one and a half times that of a targeted audit, which suggests a targeted audit would bring in £15,000.[25] • The above is based on 2010 data, and the HMRC-reported tax gap has increased since 2010, from £3.9 billion to £5.7 billion,[26] so we can assume a return per audit of between £14,868 and £21,737 per audit. • Targeted audits cost on average £2,500 per audit. This means the return is 5.9-8.7 per audit. • 200,000 audits will make between £3.0bn and £4.3bn over five years (depending on the scale of the indirect effect). Assuming the higher indirect effect leaves us with a net return figure of £3.8bn reached after five years, when the cost of 200,000 audits is subtracted in the final year. • Assuming that the indirect effects are not achieved in year 1, and are only realised progressively between years 1 and 5 (and subtracting £500m for the cost of 200 audits each year), we can arrive at a years 1-5 costing, uprated for nominal GDP growth: ➢ Year 1: £1.8 billion (52%) ➢ Year 2: £2.3 billion (64% indirect effects) ➢ Year 3: £2.9 billion (76% indirect effects) ➢ Year 4: £3.4 billion (88% indirect effects) ➢ Year 5: £4.0 billion (100% indirect effects)

[24] Arun Advani, 'Who does and doesn't pay taxes?' Institute for Fiscal Studies, IFS Briefing note BN218, at p. 15.
[25] Arun Advani, 'Uncollected tax revenue – who is underpaying and what we should do about it', CAGE/Social Market Foundation, June 2019, at p. 4.
[26] See HMRC 2019 Tax Gaps data, Table 4.2; average taken of the tax gap between 2008-09 and 2010-11, and the tax gap in the last three years (2015-16 and 2017-18).

	This gives an average yield over 5 years of £2,868,764,834, or **£2.9 billion**.
Offshore company property levy	**£3.3 billion** • Professor Prem Sikka's paper[27] observed that an independent database revealed properties purchased offshore for £256 billion over 16 years; the database covered 75% of purchases. • To estimate the value of all purchases, using averages, we can divide the £256 billion figure by 0.75 to get £341.3 billion. • To get an average annual figure, we divide £341.3 by 16, getting £21.3 billion. • Professor Rob Gillezeau at the University of Victoria has concluded in correspondence that a 30% fall in the tax base is an accurate estimate of behavioural response in countries where analogous foreign buyers' taxes have been imposed.[28] Applying this assumption of behavioural change, we can assume a lower average annual value of offshore purchases of £14.9 billion. • Assuming a 20% levy leaves estimated revenues of £3.0 billion, uprated for nominal GDP growth to £3.3 billion in year 5 of a Labour government.

[27] See http://visar.csustan.edu/aaba/OFFSHOREPROPERTYLEVY.pdf.

[28] Based on the Canadian Office of the Parliamentary Budget Officer's costing of a proposed Canadian Foreign Real Property Buyer Tax, and adjusting for differences between the Canadian proposal and our proposed UK Offshore Company Property Levy: see https://www.pbo-dpb.gc.ca/web/default/files/Documents/ElectionProposalCosting/Results/32629594_EN.pdf?timestamp=1572545510717). It is wrong to assume that all offshore companies will switch to UK company vehicles leading to zero yield: perceived benefits of remaining offshore include secrecy and privacy, as well as offshore tax advantages, and if offshore companies do switch to being UK companies they will have to pay corporation tax in the UK.

	Note that this is likely to be an under-estimate since the original figures did not appear to count purchases by offshore trusts, which are covered by this levy.

Vote Labour Thursday 12 December