ouse of Commons committee challenges UK government to

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The FT's reported this morning on the new report from the House of Commons International Development Committee on tax and developing countries, noting:

Ministers are being urged to drop plans to exempt British companies operating abroad from UK taxes for fear that it could stifle burgeoning industries in developing countries.

The Commons cross-party international development committee has attacked George Osborne for his planned changes to the “controlled foreign companies” rule. The chancellor’s proposals would mean that UK companies would no longer have to pay tax to British authorities on overseas earnings, even if what they paid to a foreign government did not reach the level they would pay in Britain.

The committee’s report said the new rules would make it easier for British companies to use developing countries as tax havens.

Although it stopped short of calling for an immediate halt to the proposals, the committee urged ministers to analyse how much the changes would cost developing countries.

As the FT then noted:

The government does not accept the estimate from ActionAid, a charity, that the move could cost £4bn in lost tax revenues for other countries but will not say what it thinks is a more realistic figure.

Sir Malcolm Bruce, who chairs the committee, said: “The government cannot legitimately refute the £4bn figure unless it is prepared to conduct its own analysis. That is what we are urging it to do.”

Unfortunately that logic is not accepted by the government. I regret to say it seems they don't care, quite literally.