

GAAR needs growl

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Austin Mitchell MP issued the following press release this afternoon:

Public Accounts Committee member Austin Mitchell MP today expressed concerns regarding the forthcoming General Anti-Abuse Rule (GAAR) legislation which aims to tackle widespread tax avoidance schemes in the UK.

Mr Mitchell stated:

“The Government is dragging its feet on tax avoidance, probably to help its friends in the City who bankroll the Tory Party.

I’ve urged British governments for years to combat such abuses. They are finally doing something about it with the new rule which comes into effect next month however they are the weakest in the world. Instead of being directed at avoidance it’s a measure on abuses which limits the scope and is more difficult to prove. HMRC will be hamstrung by it because it can’t act directly but only under a review panel which will refer cases. That panel is unpaid and should be absolutely independent but since this legislation has been drawn up by the tax avoidance industry the intention is to cram it with people from that industry who will be judge and jury in their own cases .I’m sure the Big Four accountancy firms and large multinational corporations will be only too willing to have staff seconded to this committee.”

Through his work on the Public Accounts Committee Mr Mitchell has recently been involved in investigations into the tax affairs of companies such as Starbucks, Amazon, and Google. He now intends to organise a group to apply to join the GAAR review panel made up of Labour MPs Kelvin Hopkins and John McDonnell, former Labour MP Jim Cousins, Professor of Economics at Essex University Prem Sikka, and Tax Justice Network campaigner Richard Murphy.

Mr Mitchell added:

“I’m volunteering my team of independent experts to join the review committee to work in the interests of the taxpayers and not the tax avoiders. I urge the Government to

accept my generous offer and to quickly make clear it will not appoint anyone from the tax avoidance industry. Taxpayers all across the country eagerly await their answer.”