

Funding the Future

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David Cameron [is apparently going to control immigration](#) by denying UK national insurance numbers to some immigrants.

Whatever the legalities of the proposal (and I suspect it is a long way from meeting any required standard of European legality) the plan is straightforwardly naive because any UK immigrant may quite legally get hold of a UK company for under £100 with no questions required to be asked as to their identity or what they intend to use the company for.

Then the UK immigrant can use their newly acquired company to sell their services as a contractor to just about anyone with few or no questions asked, and if they are trying to be legal they can then withdraw all the rewards of their efforts by way of dividend from the company, for which no NI number is required.

Of course, if they are not trying to be legal then they might know that many hundreds of thousands of companies ([at least 400,000](#) a year) fail to comply with their legal obligation to file accounts and tax returns - or any other return required by law. This fact is now so widely known it provides the perfect opportunity for abuse. If the immigrant wishes to simply take their money and run right now there will be almost nothing to stop them because neither HMRC or Companies House almost ever do anything to chase these companies.

And as a result what David Cameron has proposed is absolutely absurd precisely because he is so wedded to cutting what he calls the burden of red tape on business that he has created the perfect opportunity for anyone to abuse what he wants to do on immigration, even if it were legal.

He really ought to learn that if you want to use the law as a weapon you do have to both uphold it and be seen to do so, and we are a million miles from doing that with UK company and tax law right now.

[For more information on this read my report from earlier this year on this issue.](#)