

Prem Sikka reminds David Cameron of his commitments on ...

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This exchange took [place in the House of Lords](#) yesterday:

Lord Cameron of Chipping Norton (Con)

One of the best things we can do for those countries is to help them to have better fiscal systems so they can raise their own taxes. I know that noble Lords like a Rwanda update: we have been working with that country since the 1990s and helped it to increase its tax revenue tenfold, and its ratio of tax to GDP has doubled from 8% to 16%, the highest in the region. That is a better thing to do in many instances than lending those countries money.

Lord Sikka (Lab)

My Lords, a major reason for the indebtedness of developing countries is that too many multinational corporations operating in them dodge taxes by shifting profits to low-tax or no-tax jurisdictions. The IMF estimates that around \$213 billion of taxes are lost each year. An earlier Prime Minister introduced the Finance Act 2016 and promised that companies would publish a public form of country-by-country reporting so that there would be some visibility of the profits shifted by UK companies, but later Governments never honoured that commitment. Could the Foreign Secretary have a word with the current leaders of the Government and try to revive that commitment?

Lord Cameron of Chipping Norton (Con)

I think that the noble Lord refers to what was agreed at the G8 in Northern Ireland in 2013, where a whole series of steps forward were made to make sure that companies were not doing what is known as base erosion and profit shifting and not paying their taxes in countries where they should. To be fair to the former Prime Minister, who is now the Foreign Secretary, we did make some progress, and I think the OECD would say that it has made a lot of progress, but I will certainly check up on the noble Lord's point.

Prem Sikka published my [first ever version of country-by-country reporting](#), way back in

2003.

And in 2013 I was at the Lough Erne G8 Summit where [country-by-country reporting was adopted for tax purposes](#). In fact, [I sat in front of Cameron as he announced it.](#)

The clause Prem referred to is [section 19\(6\) of Schedule 19 to the Finance Act 2016.](#) It [was promoted by Caroline Flint](#), then an MP, whom I advised on the issue.

Prem has assured me that he will be writing to David Cameron. Putting this provision into force is long overdue.