



UK OPEN
GOVERNMENT
CIVIL SOCIETY NETWORK

c/o Tim Hughes
UK Open Government Network coordinator
Involve
33 Corsham Street
London
N1 6DR
tim@involve.org.uk

Rt Hon George Osborne MP
Office of the Chancellor,
HM Treasury,
1 Horse Guards Road,
London,
SW1A 2HQ

Cc Rt Hon Matthew Hancock MP, Minister for the Cabinet Office

30 March 2016

Dear Rt Hon George Osborne MP, Chancellor of the Exchequer

Proposal for HM Treasury commitments to be included in the UK Open Government Partnership National Action Plan

We, the undersigned organisations, who are all members of the UK Open Government Civil Society Network, are writing to propose three commitments from HM Treasury for inclusion in the UK's 2016-18 Open Government Partnership National Action Plan:

1. Make UK-registered companies (that operate beyond the UK) publish their taxes, profits and other key economic data for each country where they do business.
2. Put into place a system for publically reviewing, on an ongoing basis, all tax related incentives and benefits.
3. Increase the transparency of tax treaties, by publishing the criteria used to guide decisions about when, where and how to negotiate tax treaties; and publicly state the objectives for each treaty negotiation.

As a founding member of the Open Government Partnership (OGP), the UK Government has made a commitment to develop reforms that “promote transparency, empower citizens, fight corruption and harness new technologies to strengthen governance”. Since 2012, the UK Open Government Civil Society Network has worked with government to propose, develop and implement ambitious open government reforms, and we are currently working with your colleagues across government to agree the government's latest round of commitments.

These commitments will be launched by the Prime Minister at the Anti-Corruption Summit, and together with the Summit will provide the opportunity to demonstrate global leadership on open government.

Specifically, there is growing public concern about the social and economic impact of low effective corporate tax rates across the world. Additionally, the use of low tax jurisdictions by multinational companies to shift profits and reduce global tax bills must be tackled. The UK has an important opportunity to take a lead in making the tax system more transparent and therefore more effective. As part of the UK's 2016-18 OGP National Action Plan, we propose that the UK commit to:

1. Make UK-registered companies (that operate beyond the UK) publish their taxes, profits and other key economic data for each country where they do business, so that the public and investors can see what tax they pay and where, in comparison to the levels of economic activity.

Public access to the full data reported under the OECD country-by-country reporting standard would empower citizens to monitor and analyse the activities of companies and policies of governments, and enable both to be better held to account. The UK will already be introducing such a measure in a non-public form as a part of the implementation of the OECD BEPS project agreements. You have previously stated that you believe that making this information public across the EU would be positive; but waiting for multilateral action leaves progress dependent on the lowest common denominator. By committing to making such information public as part of the OGP action plan, the UK would be acting as a global leader and would open the door to multilateral action, whether at EU level or more broadly. The information provided would not only benefit the UK, but others too - including, importantly, developing countries.

2. Put into place a system for publicly reviewing, on an ongoing basis, all tax related incentives and benefits. This should include an annual report detailing the cost and purpose of all tax incentives, and introduce a process of a rolling review so that all tax benefits are regularly reviewed to determine if they fulfilling their purpose, to assess the costs and benefits and to seek to remove incentives that are not working.

Such a policy is a natural fit to the open government plan. It is widely recognised that tax incentives are often poorly designed and economically wasteful. Increased transparency and scrutiny will help address this and ensure that tax incentives are increasingly well designed, used, reviewed and evaluated. The IMF, World Bank, OECD and UN have all called for G20 countries to show leadership and best practice on use and review of tax incentives. Making this commitment would ensure the UK is answering that call and help ensure tax policies both in the UK and globally are better designed and avoid a damaging race to the bottom.

3. Increase the transparency of tax treaties, by publishing the criteria used to guide decisions about when, where and how to negotiate tax treaties; and publicly state the objectives for each treaty negotiation. Treaties should also be made available for parliamentary scrutiny at draft stage, rather than after signature as at present.

Tax treaties are currently negotiated in secrecy, and subject to Parliamentary scrutiny only after they have been signed. Greater openness about what the UK seeks to achieve through its tax treaty negotiations would allow for publics in both the UK and its treaty partner countries to assess the outcomes of negotiations and to hold their governments accountable for the taxing rights that are assigned, and signed away, through the treaty network. The current situation whereby treaties are only made public after signature is not in line with the Government's commitment to transparency, and does not allow for input into the treaty process by civil society, development experts, or Parliament. Alongside the statement of objectives for upcoming negotiations, sharing of draft treaty texts would allow for more democratic oversight of this currently under-scrutinised but vital aspect of the international tax system.

We believe that these proposals would represent potentially transformative commitments, of the kind the UK is committed to making under the Open Government Partnership, and would contribute towards the Government's commitment to becoming the most open and transparent government in the world.

Yours sincerely,

Alan Hudson	Global Integrity
Alex Cobham	Tax Justice Network
Alexandra Runswick	Unlock Democracy
Christine Allen	Christian Aid
David Banisar	ARTICLE 19
Girish Menon	ActionAid UK
Jonathan Gray	Open Knowledge
Julian Tait	Open Data Manchester
Miles Litvinoff	Publish What You Pay UK
Oliver Pearce	Oxfam
Richard Murphy	Tax Research
Shauna Leven	Global Witness
Tim Davies	Practical Participation
Tim Hughes	UK Open Government Network coordinator
Vicki Hird	War on Want
Vivek Ramkumar	International Budget Partnership