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Via email: request-492667-
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19 July 2018

Ref: FOI2018/11228

Dear Mr Sawyer

Freedom of Information Act 2000: Tax avoidance

Thank you for your enquiry of 22 June 2018, which we have considered under the terms of the Freedom of Information Act 2000 (the FOI Act).

You asked for the following information:

"There have been uses of the following terms found in Hansard

*"contrived tax avoidance"
"aggressive tax avoidance"
"artificial tax avoidance"*

- 1) Does the Treasury have formal definitions of the above terms?*
- 2) Can you provide me with the formal definitions of the above terms.*
- 3) Can you provide me with the formal definition of the term "tax avoidance" used by the Treasury.*
- 4) If no formal definitions are available for 2) can you explain the difference between the types of tax avoidance in 2) and "tax avoidance" in general."*

I can confirm that HM Treasury does hold information within the scope of your request. The Treasury uses the following description of "tax avoidance", which is:

Tax avoidance involves bending the rules of the tax system to gain a tax advantage that Parliament never intended.

It often involves contrived, artificial transactions that serve little or no purpose other than to produce this advantage. It involves operating within the letter, but not the spirit, of the law.

Most tax avoidance schemes simply do not work, and those who engage in them can find they pay more than the tax they attempted to save, once HM Revenue and Customs (HMRC) has successfully challenged them.

This definition has been published at <https://www.gov.uk/guidance/tax-avoidance-an-introduction>

The Treasury does not have a formal definition for contrived, aggressive or artificial tax avoidance. While there are many different types of tax avoidance scheme which involve bending different rules and which may be described in different ways, all of these are consistent with the definition set out above.

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Yours sincerely

Information Rights Unit

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