



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Dr Andrew Murrison  
Northern Ireland Affairs Committee  
House of Commons  
London  
SW1A 0AA

13<sup>th</sup> February 2019

*Dear Andrew,*

Thank you for your letter of 24 January and for saying that you found my previous answers helpful. I remain committed to providing as much information as I can on this topic to assist you and your Committee in its work.

You raised further questions on whether tax has been paid on any of the frozen Libyan assets and what the total amount received would be.

As I said in my previous letter, where taxable income or gains are made in relation to frozen assets, tax liabilities will arise, regardless of the assets' frozen status. However, due to the duty of confidentiality imposed by section 18(1) of the Commissioners for Revenue and Customs Act 2005, HMRC is not able to release information on the amount of tax collected.

It may be helpful if I provide some background to the duty of confidentiality. It continues to apply to information that has come into the public domain by another route. For example, were a taxpayer's confidential tax affairs made public, HMRC would still be bound by section 18(1) and could not release this information, comment on the information, or confirm its accuracy, even though it was in the public domain. Section 18(1) would apply and, absent a gateway in section 18(2) or (3) being identified, no disclosure could be made by HMRC.

To clarify, this means that HMRC cannot disclose taxpayer information unless a gateway is available through which to make the disclosure. Examples of such gateways being in place include: where each person to whom the information relates has given consent, where the information is disclosed for the purpose of civil or criminal proceedings in respect of which HMRC has functions, or pursuant to an order of a court.

For reasons of taxpayer confidentiality I am unable to provide any further information on the taxation of the assets than I have set out above. Furthermore, due to the constraints imposed by section 18(1) of the Commissioners for Revenue and Customs Act 2005, an oral evidence session with the Committee would not seem appropriate in this instance.

I once again thank the Committee for their efforts to bring attention to the important issue of Gaddafi-sponsored IRA terrorism and reiterate my offer of a bilateral meeting to discuss the sanctions regime more broadly.

*with very best regards*

*John*

JOHN GLEN