



UK cities, towns and districts standing up for responsible tax conduct

We recognise that:

Paying tax is often presented as a burden, but it shouldn't be. Not when considered against the huge array of public services it helps fund – from education, health and social care, to flood defence, roads, policing and defence. It also helps to counter financial inequalities and rebalance distorted economies.

The pressure on organisations to pay the right amount of tax in the right place at the right time has never been stronger. For example, polling from the Institute for Business Ethics finds that “corporate tax avoidance” has, since 2013, been the clear number one concern of the British public when it comes to business conduct.

In recent years, HMRC has done much to clamp down on tax avoidance and evasion – but many in the tax justice movement think there is still much more to be done. It's been conservatively estimated that losses from multinational profit-shifting (just one form of tax avoidance) could be costing the UK some £17bn per annum in lost corporation tax revenues.

As recipients of significant public funding, municipalities should take the lead in the promotion of exemplary tax conduct; be that by ensuring contractors are paying their proper share of tax, or by refusing to go along with offshore tax dodging when buying land and property.

Where substantive stakes are held in private enterprises, then influence should be wielded to ensure that such businesses are exemplars of tax transparency and tax avoidance is shunned – e.g., no use of marketed schemes requiring disclosure under DOTAS regulations (Disclosure Of Tax Avoidance Schemes) or arrangements that might fall foul of the General Anti-Abuse Rule. The Fair Tax Mark offers a means for business to demonstrate good tax conduct, and has been secured by organisations with a combined annual income of £50bn and more than 6,500 outlets and premises. Social enterprises and co-operatives have been early pioneers of the Fair Tax Mark, and fit especially well with the pursuit of social value in public procurement.

In recent polling, almost two-thirds (63%) of the public agree that the Government and local councils should consider a company's ethics and how they pay their tax as well as value for money and quality of service provided, when undertaking procurement. At the same time, research has found that 17.5% of public contracts in the UK have been won by companies with links to tax havens. More action is needed, however, current law significantly restricts councils ability to either penalise poor tax conduct or reward good tax conduct, when buying goods or services.

UK cities, counties and towns can and should stand up for responsible tax conduct – doing what they can within existing frameworks and pledging to do more given the opportunity, as active supporters of international tax justice.

We pledge to:

1. Pass a resolution approving the Councils for Fair Tax Declaration.
2. Lead by example and demonstrate good practice in our tax conduct, right across our activities. Including:
 - Ensuring contractors implement IR35 robustly and a fair share of employment taxes are paid.
 - Shunning the use of offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.
 - Undertaking due diligence to ensure that not-for-profit structures are not being used inappropriately as an artificial device to reduce the payment of tax and business rates.
 - Ensuring that there is clarity on the ultimate beneficial ownership of suppliers and their consolidated profit & loss position, given lack of clarity could be strong indicators of poor financial probity and weak financial standing.
3. Promote Fair Tax Mark certification for any business in which we have a significant stake and where corporation tax is due.
4. Join in and support Fair Tax Week events in the area, and celebrate the tax contribution made by responsible businesses who say what they pay with pride.
5. Support calls for urgent reform of EU and UK law to enable municipalities to revise their procurement policies and better penalise poor tax conduct and reward good tax conduct.

For further details contact the Fair Tax Foundation.

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The Fair Tax Mark accreditation scheme was launched in February 2014 and seeks to encourage and recognise organisations that pay the right amount of corporation tax at the right time and in the right place. Tax contributions are a key part of the wider social and economic contribution made by business, helping the communities in which they operate to deliver valuable public services and build the infrastructure that paves the way for growth. Accredited businesses include listed PLCs, co-operatives, social enterprises and large private business. The Global Multinational Business Standard was launched in 2021, enabling multinationals headquartered outside of the UK to be accredited for the first time. The Fair Tax Foundation operates as a not-for-profit social enterprise and believes that companies paying tax responsibly should be celebrated, and any race to the bottom resisted.



Dinasoedd, trefi ac ardaloedd y DU yn sefyll dros ymddygiad cyfrifol mewn perthynas â threthi

Rydym yn cydnabod bod:

Talu treth yn aml yn cael ei gyflwyno fel baich, ond nid felly y dylai fod. Yn enwedig pan gaiff ei hystyried yn erbyn y lluo o wasanaethau cyhoeddus sy'n cael eu hariannu ganddi – o addysg, iechyd a gofal cymdeithasol, i amddiffyn rhag llifogydd, ffyrdd, plismona ac amddiffyn. Mae hefyd yn helpu i unioni anghydraddoldebau ariannol ac ail-gydbwysu economïau gwyrngam.

Nid yw'r pwysau ar sefydliadau i dalu'r swm cywir o dreth yn y lle cywir ac ar yr amser cywir erioed wedi bod cyn gryfed. Er enghraifft, yn ôl polau gan y Sefydliad Moesau Busnes, ers 2013 mae "osgoi treth gorfforaeth" wedi bod yn brif bryder y cyhoedd ym Mhrydain o ran ymddygiad busnesau.

Yn y blynyddoedd diwethaf, mae CThEM wedi gwneud cryn dipyn i fynd i'r afael ag osgoi ac efnid trethi – ond creda nifer o bobl yn y mudiad cyfiawnder trethi bod llawer mwy i'w wneud eto. Amcangyfrifwyd yn geidwadol y gallai colledion o symud elw amlwladol (un ffurf ar osgoi treth) gostio oddeutu £17bn y flwyddyn i'r DU mewn colledion refeniw y dreth gorfforaethol.

A hwythau'n derbyn symiau sylweddol o gyllid cyhoeddus, dylai bwrdeistrefi fod yn esiampl dda, flaenllaw mewn perthynas â thalu trethi; boed hynny drwy sicrhau bod contractwyr yn talu eu cyfran briodol o dreth, neu drwy wrthod defnyddio llochesi treth tramor wrth brynu tir ac eiddo.

Pan mae gan fentrau preifat arian sylweddol, yna dylid meddu ar ddylanwad i sicrhau bod busnesau o'r fath yn esiamplau da o dryloywder mewn perthynas â thalu trethi ac y cedwir draw oddi wrth osgoi trethi – e.e., peidio â defnyddio cynlluniau a farchnetir sy'n gofyn datgeliad dan reoliadau DOTAS (Datgelu Cynlluniau Osgoi Trethi) neu drefniadau a allai dorri'r Rheol Gyffredinol ar Atal Camddefnydd. Mae'r Marc Fair Tax yn cynnig ffordd i fusnesau arddangos ymddygiad da mewn perthynas â thalu trethi, ac mae wedi'i sicrhau gan sefydliadau sydd ag incwm blynyddol cyfunol o £50bn a mwy na 6,500 o allfeydd a safleoedd. Mentrau cymdeithasol a chwmnïau cydweithredol oedd arloeswyr cyntaf y Marc Fair Tax, ac maent yn cyd-fynd yn dda â mynd ar drywydd gwerth cymdeithasol o ran caffael gyhoeddus.

Mewn polau diweddar, mae bron i ddau draean (63%) o'r cyhoedd yn cytuno y dylai'r Llywodraeth a chynghorau lleol ystyried moesau cwmni a sut maent yn talu eu treth yn ogystal â gwerth am arian ac ansawdd y gwasanaeth a ddarperir, wrth gynnal gweithgareddau caffael. Ar yr un pryd, canfu ymchwil bod cwmnïau sydd â chysylltiadau â llochesi treth wedi ennill 17.5% o gytundebau cyhoeddus yn y DU. Mae angen mwy o weithredu, ond mae'r gyfraith gyfredol yn rhoi cyfyngiadau sylweddol ar allu cynghorau i naill ai cosbi ymddygiad gwael mewn perthynas â thalu trethi neu wobrwyo ymddygiad da mewn perthynas â thalu trethi, wrth brynu nwyddau neu wasanaethau.

Gall dinasoedd, siroedd a threfi'r DU sefyll dros ymddygiad cyfrifol mewn perthynas â threthi, a dylent wneud hynny – gwneud yr hyn a allant o fewn fframweithiau cyfredol a gwneud addewid i wneud mwy petaent yn cael y cyfle, fel cefnogwyr gweithredol cyfiawnder trethi yn rhyngwladol.

Rydym yn gwneud addewid i:

1. Gytuno ar ddatrysiad yn cymeradwyo'r Cynghorau am Ddatganiad Fair Tax.
2. Arwain drwy esiampl ac arddangos arfer dda yn ein hymddygiad mewn perthynas â threthi, ar draws ein holl weithgareddau. Gan gynnwys:
 - Sicrhau bod contractwyr yn gweithredu IR35 yn gadarn a bod cyfran deg o drethi cyflogaeth yn cael eu talu.
 - Osgoi'r defnydd o lochesi tramor i brynu tir ac eiddo, yn enwedig pan mae hyn yn arwain at daliadau gostyngedig o'r dreth stamp.
 - Ymgymryd â diwydrwydd dyledus i sicrhau nad yw strwythurau nad ydynt er elw yn cael eu defnyddio'n amhriodol fel dyfais artiffisial i leihau'r taliadau treth ac ardrethi busnes.
 - Sicrhau bod eglurder ynghylch perchnogaeth lesiannol derfynol cyflenwyr a'u sefyllfa elw a cholled gyfnerthedig, gan ystyried y gallai diffyg eglurder fod yn ddangosyddion cryf o gywirdeb ariannol gwael a sefyllfa ariannol wan.
3. Hyrwyddo ardystiad Marc Fair Tax i unrhyw fusnes y mae gennym gyfran sylweddol ynddi a lle mae treth gorfforaeth yn ddyledus.
4. Ymuno â digwyddiadau Wythnos Fair Tax yn yr ardal, a'u cefnogi, a dathlu'r cyfraniad trethol a wneir gan fusnesau cyfrifol sy'n ymfalchïo yn yr hyn maent yn ei dalu.
5. Cefnogi galwadau am ddiwygio cyfraith yr UE a'r DU fel mater o frys i alluogi bwrdeistrefi i adolygu eu polisiâu caffael a chosbi yn well ymddygiad gwael mewn perthynas â threthi a gwobrwyo ymddygiad da mewn perthynas â threthi.

Am ragor o wybodaeth, cysylltwch â'r Fair Tax Foundation.

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Lansiwyd cynllun ardystio'r Marc Fair Tax ym mis Chwefror 2014 ac mae'n ceisio annog ac adnabod sefydliadau sy'n talu'r swm cywir o dreth gorfforaeth ar yr amser cywir ac yn y lle cywir. Mae cyfraniadau treth yn rhan allweddol o'r cyfraniad cymdeithasol ac economaidd ehangach a wneir gan fusnesau, gan helpu'r gymuned y gweithredant ynddi i gyflawni gwasanaethau cyhoeddus gwerthfawr a datblygu'r seilwaith sy'n sefydlu'r llwybr at dwf. Mae mwy na chwe deg o fusnesau wedi'u hardystio bellach, gan gynnwys cwmnïau cyhoeddus ar y rhestr FTSE, cwmnïau cydweithredol, mentrau cymdeithasol a busnesau mawr preifat – sydd rhyngddynt yn meddu ar dros 7,000 o swyddfeydd ac allfeydd. Rydym yn gweithredu fel cymdeithas budd cymunedol nad yw er elw a chredwn y dylid dathlu unrhyw gwmni sy'n talu trethi'n gyfrifol, ac osgoi unrhyw ras i'r gwaelod.