

Reportercast January 2023 with Dan Neidle

Matei Rosca 0:12 : Welcome, dear people to this new episode of report cast for January 2023. This is Matei Rosca, the journalist behind Reported dot London. Thank you as always to our sponsors at H five Strategies in Bucharest, a consulting firm for executives and politicians specialised in Eastern Europe, Central Asia and Africa.

And our guest today is a bit of a coup for me because I admire him hugely which you're not really supposed to say as a journalist. But absent impartiality, I always go for sincerity. I'm lucky to have him on the podcast also, because for the life of me, I can't understand why he accepted the invitation, given he's already profiled and quoted in all the top newspapers and magazines plus, of course, television channels, and he has a personal following far bigger than ours. This guest was the jetsetting Head of Tax at Magic Circle law firm Clifford Chance in the City of London, which is the top of the pile in terms of international prestige, influence and fees. And he gave it all up to start a blog and poke at the hornet's nest of corruption and misbehaviour not just in public life, but within his own former profession. And poke he did. He's a veritable poacher turned gamekeeper, he walked back from Hades. He turned away from the dark side, and he's here with us now. It's Dan neidle. One of a rare example of, of people who are afflicted with nominative determinism, and the publisher of taxpolicy.org.uk. And the current nemesis of former Chancellor of the Exchequer, Nadhim Zahawi. Who is now the chairman of the Conservative Party. Do I have this right, though?

Dan Neidle 2:02 : Yes, I think. I didn't know I was ever a poacher. There's a because think about lawyers. I think lawyers don't get enough recognition for the role they do, essentially acting as policemen keeping their clients in line that there were so many laws, tax law, environmental law, employee employment law, company law, who enforces these, it's certainly not the police or the authorities in practice. They're enforced by the lawyers who say to their clients, ah, you can go this far. But you can't do that. And that's a vital role that lawyers have, yes, tax lawyers, but lawyers of all kinds in keeping their clients on the straight and narrow, when things tend to break down, is when lawyers don't do that. And lawyers either let their client cross the line, or even worse, encourage and facilitate their client crossing line. And I was never that type of lawyer and my colleagues, Clifford Chance were never that kind of lawyer. So I certainly don't regard myself as a poacher turned gamekeeper. I was always a gatekeeper. It's just now I can do it in public. And I'm doing it for people who thank God aren't my clients.

MR: Right? Of course, of course. And I didn't mean any offence, but I'm taking as as, as we're about to discuss, there are a few lawyers who've gone astray and who are now seeing the rough side of your activism. And so, could you tell us a little bit about your life in short, and for those who can't afford a subscription to the Sunday Times? How did you end up at Clifford chance? And then how are you doing? Why did you decide to leave?

DN 3:42 : So I became a lawyer. Initially, I wanted to be a crusading criminal barrister. And then I discovered that whilst I think it's very important that someone prosecutes and defendants criminals, that wasn't for me, to my slight surprise, I got accepted by Clifford chance, really just dumb luck. I didn't know what I was doing. To my horror, I found that I enjoyed tax law and I became a tax lawyer. That was 25 years ago. I then became head of tax at two the chances London office. And then I had, I think, the fairly common and not very interesting realisation during lockdown, then my priorities have changed a bit. And I wanted to spend more time with my family, and I was privileged enough to be able to make that decision. So I retired. I didn't want to walk away completely from

law and from tax that felt like a wasted opportunity. And so I founded Tax Policy Associates probably the smallest think tank in the UK, with the aim of trying to influence the public debate around tax in a positive direction.

MR: Right. Well, that's fantastic, fantastic news. And then can you say a little bit more about tax policy.org.uk tax policy associates? What kind of policy changes are you looking for and what kind of work should we should we be expecting from you?

DN: So we do several things. We, I say we tax policy Associates is me. But I'm supported by the large number of friends and contacts I made during my time as a lawyer and contracts that made subsequently. So for example, I've heard about non Dom's, but I never advise them on them. So I had no technical expertise in the non dom rules, but I know a lot of people who are, and they're very generous with their time. So the ID tax policy, and the Associates is all the people I work in association with some of whom I can name, some of whom I can't. So what what do we do? What do I do, some of it is speaking, behind the scenes about quite a lot of it is speaking behind the scenes to policymakers, I speak to tax authorities, a number of different countries, I speak to politicians MPs in all four main parties. I speak to journalists, I speak to NGOs, researchers, academics, there's there's often a gap. There's a lot of people with technical tax knowledge, many in many areas that need more than mine. But often they're not able to speak out professionally, it's hard. And so I'm in the fortunate position of having the expertise and being able to speak freely. And that's an unusual combination. And that means I can be of assistance to people working on tax matters. Now, that's the main point of tax.

MR: That's interesting, because essentially, you're doing the job of a very sought after tax lawyer, and you're doing it for the public now. So the public has access to the brain of a Clifford Chance tax lawyer now,

DN: I suppose you got to be careful, these, I can't help people with their own tax. So of course, and I can't I can't do that. And also, I'm only one guide. I'm trying to spend time with my family. So I need to be very selective. But yes, I'm, I'm trying to be a resource for people working on tax who want technical input I have used as well. Right? So I published a series of what I call policy blueprints, ways that I think tax law could change enough detail to show how it could actually be done. And I try to influence public debate and get people talking on areas of technical tax where I don't think there's much attention paid.

MR: Excellent, excellent. And now to talk a little bit about Minister Nadhim Zahawi, former Chancellor of the Exchequer, former cabinet minister and now Tory party chairman and

DN: current cabinet minister, he's still in the cabinet.

MR: Oh, he's still in the cabinet as chairman.

DN: At least he was [yesterday].

MR: Alright. I see. Okay. And that's a good point, actually, because he's been in the news very much lately in the last few days, because apparently he had to pay a multi million settlement to HMRC, the British tax office. And that's because he potentially because we don't actually know why do we? But Potentially, yes, but

DN: yeah, there's what we know. And what we can guess what do we know? We know that when Zahawi was going to be appointed chancellor, the Cabinet Office raised a red flag, there was something in his tax affairs that was untoward, but Boris Johnson appointed him anyway. We don't

know what that thing was. We also know that when Zahawi founded YouGov in 2000, there was a very unusual arrangement where the founder shares should have been his were held by a Gibraltar company, owned by a trust controlled by his parents. And that company later made something like 25 million pounds profit on those shares. We know that. We also know that some of that made its way back to Zahawi. We don't know how much. If lots of it did make its way back, then. We certainly tax experts are generally confident. So how he would have been taxed on it. So there isn't tax avoidance, maybe he was trying to avoid tax, but then were taxes due? So now that that's the fantastic work of The Sun. We know that a large settlement was paid. The obvious inference is that when the YouGov stuff came out in July, so how we always accountants land to HMRC to try and pay it off and make it all go away. And that's what happened. That's one possibility. Another possibility is that the payment to HMRC has to settle something else? Possibly the thing that raised the red flag that was raised by the Cabinet Office, possibly something completely different? We don't know. But here's the weird thing. That seems quite plausible that Zahawi was negotiating or started to negotiate a settlement with HMRC when he was Chancellor of the Exchequer

MR: in order to have everything in order for for the new job. So all of this at the moment remains speculation informed speculation but still speculation on our part,

DN: Well, I don't think the this the payment to HMRC I don't. Something can be said to be speculation, [something else] is not being denied. He's been given lots of chances to deny it by lots of journalists. And he's not so that's not speculation.

MR: Yeah, certainly not. And he does say that as of now. All his tax affairs are in order and everything that he was going to owe the government he has paid.

DN: Well, he said he said that repeatedly. But here's the thing. If your tax affairs are in order, you don't make a multimillion pound settlement payment to HMRC. Maybe they are in order today but they certainly were not in order before he started negotiating that settlement.

MR: Yeah, so hopefully, we'll hear a little bit more about that from him, or, or, you know, the investigative journalists at the sun or somewhere else.

DN: Well, his strategy grew out has been to say, essentially nothing, issue very bland denials, and hope it all goes away. And that was working until the Sun revealed the speed payment.

MR: Right. And a little bit before that you had a little bit of a conflict with his lawyers, didn't you? Because, well, you published you published a tweet or a blog. And then the lawyers representing Mr. Zahawi came after you and then and then something happened. So why don't you tell us this fascinating story.

DN: So when I initially started writing about this, so how he responded by saying, the reason the Gibraltar company had the shares is that my father provided the startup capital that enabled you guys to get going. And I looked into that in a lot of detail, and it's provably false. And I said that I said, either I made a mistake, I did miss something. Or there may be a series of large errors in your graphs, filings, or Zahawi was lying. So Zahawi dropped that explanation, and moved on to a new explanation, which we'll talk about later, but at that point, I became really quite certain as to why he had been lying. And I said so. I then got a message on my phone from a partner, at a law firm asking to talk off the record. I said, No, I'd only accept written correspondence. And I'll only accept open written correspondence meaning not confidential.

MR: Well, that's very interesting. And then you got some correspondence.

DN: I got some correspondence, demanding that I retract by the end of the day, and which claimed to be confidential and said that I couldn't publish it. There'll be serious consequences. If I did. I didn't, I doubled down the next day, I got another letter again, claiming to be confidential, again, threatening me with bad consequences if I published it. A number of these letters were going around. Right. And it's a threat that lawyers tend to make quite, quite deliberately, unfortunately.

MR: And then yeah, oh, yeah. So published, you publish the supposedly private correspondence.

DN: So I saw this claim that it was confidential and can't be published. I am not an expert on the law of confidentiality. But like most commercial lawyers, I know enough to be dangerous. It seems to me to be completely wrong. So I spoke to a number of people I know who are experts that are of confidence. And they thought it was completely wrong. So I, I don't agree for a second that this is something that lawyers normally do. I think it's an extraordinary thing. It happens, I believe, to be common practice among lawyers. And I didn't know that yesterday. So I did several things. First of all, I published the letters. Second, I wrote the solicitors Regulation Authority, saying, hey, learn lawyers need to be doing this thing, which involves lying to people and claiming that letters can't be published when they can, you need to do something about it. So this is, this is an important point for anyone listening, especially in the media. If you get a letter from a lawyer, out of the blue saying this letter is confidential, it's actually it's actually not is almost never there. There's some cases where it might be, let's say, so how are we have written to me saying, Look, yeah, we got this wrong. The reason we got it wrong, is that my head of media has had a serious accident. And it's confidential. And we're trying not to tell anyone because his family don't know yet. So I'd be really grateful if you keep it quiet. Now, that conceivably, is confidential information. Very possibly, there's a duty of confidentiality not to tell people. But if all you're doing is saying retract within 24 hours, we sue you. There's no confidential information in that.

MR: So that so the duty of confidentiality in the example you gave would would, would stem from from the fact that there's a family matter and families do have a right to privacy?

DN: Well, I think first of all, there has to be some information in the letter which isn't public. Otherwise, it can't be confidential. And normally in these letters, there isn't. Second, the information needs to be over kind which which might imputed you to your confidence. So for example, it will be private about a family. And then third quite difficult. It must be reasonable to impute a duty of confidence on you as the recipient of the letter. And now, and that's often going to be a tricky one. But it's conceivable you might where there is some sensitive family information or something in the letter, but almost no label letters are actually like that. So most of the time, people are free to publish these letters. And I wish they would, because the whole the whole game of trying to intimidate people into not publishing is destroyed if the reaction to that is to publish the letter from nowhere.

MR: Right, exactly. And then it draws attention to the lawyer it it makes another news story out of the fact that the threats are happening. And generally, when there is an empty threat of libel, because libel does exist, it's just that we're talking about a threat that is that is aimed at intimidating journalists who would otherwise report honestly and in the public interest. So that's, that's what they call a slap strategic lawsuit against public participation. So this is the section of the section of activity that that some lawyers are undertaking that that needs to stop. And now, the SRA, the solicitors Regulation Authority, they changed the rules after your approach. And then they've changed the rules.

DN: They've they issue guidance, which is explaining how the SRA says the rules have always been nothing's changed. It's always been forbidden for lawyers to mislead people.

MR: The SRA, tougher guidance, so they changed the guidance.

DN: Well, they're they're saying specifically, that a that a letter that claims to be confidential and can't be published, that claim is normally not correct, and shouldn't be made. And if you received the letter like that five years ago, then the rules are prohibited at the time and you're perfectly entitled to report that to the SRA now, and I'd urge anyone watching to do that, if they have received a libel threat that contained a claim that it couldn't be published. Right. And it's interesting the fact that it took so it took so long for, for this issue to come to light. And we could say that the SRA is taking a bit a bit of a harder stance against lawyers who knowingly mislead and knowingly sort of skirt the guidelines? Well, I think the whole issue of slaps has been coming into greater public focus, particularly after the the experience of Russian oligarchs and others using the legal system, particularly the chap called Putin chef, the guy who runs the Wagner group, using libel law to intimidate journalists in the UK. And that got everyone's attention, the government has announced some excellent anti slap legislation, there's a fantastic organisation called slap coalition campaigning for it to go further. And so really, I am just paying a small part in a much wider campaign. And my focus is on this narrow point of the fake confidentiality claims. There's other very important issues around slap that other people are working on. Right and even beyond slop.

MR 18:09 Could we could we dive into where lawyers are allowed to be vague? And when you're representing your client? How much are you allowed to misrepresent or mischaracterize reality as, as you know it, because importantly, clients lie to their lawyers as well.

DN 18:31 you're actually not allowed as a lawyer to say things which are, which you know, are untrue. You have a duty to your clients, certainly, but you have a more important duty to the rule of law, and you have a duty not to mislead third parties. So it's as clear as anything could be that you are not permitted to say things that you know, I thought, that's the easy bit. The hard bit is, so you're let's take Putin's chef as the example here, God, what's his name?

MR: Yevgeny Prigozhin.

DN: Thank you. I'll ask you to pronounce it every time his name, his name comes up, because you're so good at it. No, thank you, right that he did. So what's his name? But he was accused by the rather wonderful Bellingcat group of running Wagner. And he denied it. And he and his lawyers sent a letter saying I don't run the group. Now, that is false. And now it's clear to the world that it's false, because there's lots of videos of him. Clearly, red running the Wagner group. But even at the time, there was enough information out there that even if the lawyer did not know for a fact, it was false. They should have not nearly passed on the assertion from the guy that you didn't run the Wagner group. If I'm acting for you. And you tell me to write a lawyer's letter saying that you have a tonne of gold bullion sitting in your living room, then it's not appropriate for me to simply accept what you're saying. And write a letter A sir you have a tonne of gold bullion? What I, I probably don't need to go to enormous lengths to verify it, I don't need to go send a bunch of experts to to weigh it get spectroscopic analysis of it, there's a limit to what I have to do. But I can't just accept your on the face of it rather [less] than credible assertion, I possibly should go there and look for myself, I should maybe ask for photos, I should have some basis for what I'm saying.

MR: Right? That's I think that's an extremely important point. Because let's say you make a complaint or is someone, a citizen who's at the wrong end of bullying? Your law firm makes a complaint to the SRA saying, look, I think these lawyers are knowingly misleading me. Then,

presumably, if if the process works, then the SRA would go to the lawyers and would say, Okay, can you tell us what steps you took to verify the accuracy of these claims? And then has to show something

DN: it shouldn't wait for that. What I've asked the SRA to do is to go into the files of Osborne Clarke and the other law firms in this area and see what they've been doing, see whether they have in fact, been making fake claims of confidentiality that they have seeing where they have been making factual assertions, which we either know are false, or should know or false.

MR: Right. So even in retrospect, if the regulators discovered the lawyers just took things at face value without verifying and these things turned out to be false. That's enough for the lawyers to be disqualified.

DN 21:30 Well, I'm not an expert in the SRA rules and the circumstances in which someone is or isn't struck off. But if someone has deliberately set out to mislead a third party, in my view, yes, they should be struck off.

MR: Right? Do you know of any cases where lawyers have been punished or struck off for this?

DN: I don't, but it's not my area. So of course, I've got I'm hesitant to to to explicitly all of this slab stuff. libel law is not really what I do even as a holy matter. I didn't set out to be some kind of crusading journalist investigating the wealthy and powerful I'm, what I want to do is white, nerdy stuff about tax policy that only 20 People read, but the right 20 People, everything else is a bit of a distraction for me, and I'm not gonna let go of it. But I've got to remember, it's important for me that I remember, this is a distraction, I do need to get back to tax policy.

MR: Right, of course, of course. And just before the next question, I would like to say thank you to our sponsors in Bucharest, H 5 Strategies, consulting firm for executives and politicians, specialised in Eastern Europe, Central Asia and Africa. And also to say, our sponsorship is, ensures that our editorial side remains independent. So the sponsor doesn't know who our guests are, they don't get involved in the questions, the editorial stuff at all. So thanks for that. Because in the brave new world of podcasting, a lot of that actually takes place behind behind the scenes. So that's not happening here. So thanks. Thanks to H5 Strategies for that. Now, another question is about the rather rather glitzy and glamorous BARROWMAN case. We have Baroness, Mone from Scotland, conservative Peer, and she and her husband allegedly took advantage of special contracts with the government to supply PPE during the pandemic and, it has been turning into a bit of a scandal. And you have had a little contribution to that. Which could you say a little bit about what what you noticed around that case that others haven't?

DN: So I had a very small contribution to it. And I'm not involved in the PPE investigations, know nothing about them. But there, there was a report, I think, in The Guardian, that the Barrowmans had a company which successfully bid for PPE without disclosing its link to Baroness Mone. And I thought, Well, really, the civil servants must have been asleep, because if you go to companies house, you can see who owns the company, how could they have failed to do that? So I went to Companies House and I look to see who the ultimate beneficial owner of the companies was said to be. And it wasn't said to be Baron or Baroness Mone, they the company's ultimate beneficial owner, the person with significant control of the company is listed as a director of the companies. And that's surely not right. So there had been a failing. I don't know if it was accidental or deliberate, but it's easy to see why it could have been deliberate, a failure to properly disclose who the ultimate owners of the companies were, and that's a criminal offence.

MR: Right. And by the way of that, it's been reported that the case now has has attention from the National Crime Agency. So I suppose before long we're going to find out if there has been any crime committed here?

DN: I suspect they're looking at the more important to be fair question of whether there was fraud around the delivery of PPE. I don't know if they're looking at the company or failings I wish they would, because if these rules aren't aggressively enforced, people will continue to ignore them.

MR: Right? And let's, let's hope they begin to be to be enforced as aggressively as possible, because God knows there is. There's an epidemic of fraud seemingly around the world in the UK as well. The UK was was branded by Reuters as the fraud capital of the world. I wrote a lot about how much fraud proliferates in the UK, for many reasons. Partly because the UK has, obviously the English language, and everyone around the world speaks it. So it's much easier to try to defraud people in the UK if you speak English. And, you know, that's part of it. But part of it is also weak law enforcement and the fact that, that British police doesn't have dedicated or enough dedicated fraud, detectives, financial investigators, and so forth. And there is not a mentality among British law enforcement of actually putting people away for criminal offences. Although the law says there are plenty of criminal offences around finance and investment and so forth.

DN: Yeah. There's also I think, policy choice. There's a, there's a wonderful finance journalist called Matt Levine. And he says, when you're running a bank, one of the key questions is, how much fraud do you want? The answer can't be zero, because it's not possible to run a bank and to have to have no fraud going on. So where do you calibrate it? Similarly, when you're setting up a company's a country's company law and regulatory law, how much company fraud? Do you want to happen? The answer? If the answer is zero, then you're probably making it impossible for anyone normal to do any business, the answer can't be zero. But where do you set that calibration? And the UK, I think got it wrong. We made it too easy to set up companies with no proofs of proof of identity, we made it too easy to enter false information when you're setting up a company. And we haven't had enforcement, even when people clearly do provide false information.

MR: Right. So there's a poisonous mixture of lack of enforcement and lack of stringent regulation around company law.

DN: And it's important not to overreact, we don't want to make it so impossible to set up a company that we hold back small business, we also don't want to be overzealous in prosecuting that the rules are complicated, lots of people are going to get it wrong by accident, I don't want to be prosecuting a kebab shop owner even filled in the wrong box of their company's house registration for but if a multi million or billion dollar company fails to file its accounts on time and does so deliberately and lies about it, then I think there should be serious consequences.

MR: Of course, of course. And there's also the matter of company formation agents in the UK, who have identified these vulnerabilities. And they've they've made millions creating webs of companies based on false information, or is it the vague and not quite accurate information for the benefit of all sorts of gangsters and the crooked oligarchs and corrupt politicians from all around the world. So the UK has become an offshore companies [centre] and the British company still holds a good reputation. When you have a company involved in international business all over the world, it looks good for it to be registered in the UK. And people don't just assume, unfortunately, I have to say they don't just assume that the UK just doesn't do any checks, wrongly.

DN: It is about to start doing checks. I think this autumn, they will start to be proper KYC checks, or at least a requirement for identification documents when you set up a company. Let's see how that goes.

MR: And have you looked at all into the overlap between tax law and cryptocurrency and whether there's a there's an avenue for tax evasion in in the crypto industry by changing your profits into crypto and not declaring them at market value. But how do you how do you feel about that?

DN: So this I have looked at so there was a massive tactical mistake by HMRC. In the early days of crypto, they put out guidance saying that they thought that crypto transactions were very possibly gambling transactions as a matter of UK tax law, which meant they weren't taxable. Why do they do this? Well, what why don't we tax gambling in the UK? And the reason we don't tax it is that HMRC reckon most people lose when they gamble. And so it's a better deal for HMRC if we don't tax winnings, but we also don't give tax relief for losses. That's the policy justification for not taxing gambling and it's pretty sensible. And I think they thought the same applied to crypto, this was a silly fad. People are going to lose money. If we don't want to start giving tax relief to people, so let's say it's gambling. Technically, that was clearly wrong. And I said so publicly at the time. But I think a lot of people relied on that when they made large crypto profits. They didn't declare that HMRC later changed their guidance. And they're now clear that your crypto profits are to export. You're certainly right. But I fear that they missed a lot of people at the boom, who didn't pay tax, and would have used that HMRC guidance as an excuse for doing it. Big mistake.

MR: Right. And that guidance will stand up in court.

DN: guidance has no legal force, it's just HMRC is view. Personally, I am as confident as I am on anything that if I buy crypto from someone and later so there's a profit that is not a gambling transaction.

MR: Right. Okay. So you can still come after people who made lots of money from crypto even while that crypto gambling guidance was enforced.

DN: That's probably quite quite a difficult question. Maybe perhaps it depends. Right? Okay. There was a tutor for giving you an hour about when you're entitled to rely on HMRC guidance, and when you're not properly they can. But it's not completely clear.

MR: Right. Okay. So another question on on tax policy. With the UK, I think taxes are obviously increasing. And there's, there's a stereotype going round that people expect to live like, like in Hong Kong, with low regulation and low tax when they come to the UK, but they end up living like in France, where the regulations are high, taxes are high. And bureaucracy is quite thick. So I just wondered, what you made of that, did you? Did you think the UK should be more like Hong Kong or more like France?

DN: Well, so first question, maybe where is the UK now? Is the UK in fact, taxing people as much as France? And the answer is no, not even close. Most people in the UK pay tax at a level which is one of the lowest in the developed world. That's something that very few politicians say because people don't believe it. But it nevertheless is true. And anyone doubting that should go to the tax policy.org.uk website, where we go into excruciating levels of detail on how we know that that's so so people in the UK are rather undertaxed compared to continental Europe. So when you look at British welfare provision, the level of public service in the UK and say, well, product sales in the UK are much, much less good than on the continent, what do you expect we pay a lot less tax than on the continent?

MR: Right? Well, they're becoming worse, that's for sure. But so you don't think the welfare state should be reduced to match the level of taxation, rather than increase the level of taxes?

DN: There's a political question, what kind of country do you want? Do you want a country with continental levels of public services and continental levels of taxes? Or do you want a country with us levels of public service and US levels of taxes you have to choose? And not my own religion is for the first, but it's perfectly I think it's perfectly rational for someone to disagree. And what the second, what is not rational is think there's another way to think that you can, on the one hand, magically cut taxes without cutting public services, or on the other, we can magically raise our public services to continental standards without raising taxes. Both of those positions are clearly very popular. If you put someone in an opinion poll without context. But there lies you can't use

MR: its cake ism isn't it

DN: it's absolutely cakeism. And there's a lot of it. Because otherwise, you'd have to say to people, you know, you don't actually pay that much tax in the UK, you get the public services we'd expect for that level of tax. And if you don't like it, well, you need to either be ready to pay more tax, or you need to lump it and accept the rather poor levels of public services.

MR: Well, that's interesting. That's that's something I would wish politicians would say more and, frankly, with Brexit I thought people were told that they could live in Singapore but benefit from from European levels of public service, whilst you know whilst cutting, immigration, cutting EU regulation instead of being wholly independent and buccaneering, which I thought you know, it's becoming it's becoming clear it's not the case. So I think the country still needs to figure out what it wants for Brexit doesn't it?

DN: I don't think Brexit really changes the the tax public services mix. You still have a choice to be like, I know I'm Luxembourg and be in the EU or to be like France or Denmark or Belgium and being EU the growth the the EU is is not the cause of the UK is current tax and public services Mix.

MR: Right, that's I suppose that's accurate on its own.

DN: But people would ask me often we, yeah, at the time of Brexit had an awful lot of work advising people on Brexit appearing on panels being interviewed, often I'd say is, is the UK now going to go the direction of Singapore on Thames? And I said, Are you serious? Have you looked at the level of public services in Singapore, the level in the UK? And do you think any government could reduce public services to the level of Singapore without revolution in the streets?

MR: So, yeah, so definitely the British public want Scandinavian style public services, and it's all a matter of getting them to accept Scandinavian style taxes,

DN: I suppose we all want it, we're not going to get it probably, realistically, people who want to have public services, the best they can expect, is something like in the Blair years, when there was significantly increased spending on public services, funded by stealth taxes, most of which were not raising tax thresholds, even as incomes grew. And so a lot more people did did pay more tax, but didn't particularly notice it.

MR: Right. So instead of increasing the threshold, you just hold it back while wages increase. Yeah.

DN: And then there are some other measures too, but but those were the main ones that raised an awful lot of tax, and enable that as the economy grew, a good part of that growth went to public services, that's a lot less easy to do in a time when you don't have economic growth. So I don't know if future labour government if there is one is going to even have that option.

MR: Are you in touch with them at all about taxes?

DN: I speak to politicians in all four main parties.

MR: 36:45 with everyone, to the fourth would be the SNP I suppose.

DN: Yes, sorry. I should be clear by by four I mean, SNP, Tory, Lib Dem lay of Labour as I speak to MPs on often in all those parties,

MR: right. And so if, if there are still people out there who would like to see low tax, low, low state involvement, and

DN 37:08 I suppose absolutely - identify the public services, your cut to be able to do that, and that to carry political position that has my respect, but go out there campaign for lower taxes without saying what you're cutting and I will laugh at you?

MR: Right? Well, that's fair enough.

DN: And the same people on the other side, the people who suggest that we can radically change the nature of society in our higher public services, and do it just by taxing a few millionaires more without increasing taxes, normal people, you can't, it's never been done.

MR: Right? And the Rolling Stones fled to the warmer warmer climes, immediately when when the taxes went up, didn't they? And if they did, anybody else with the money can do it.

DN: It's you can, you can actually put numbers on this. I've drawn a chart, which has the level of tax on the average worker are on the x axis, and the level of public services on the Y axis. So you can have four quadrants, you've got the countries which tax more than the UK and a better public service in the UK. Quite a few. You've got the countries who tax less than the UK and have worse public services in the UK are quite a few. There's some countries that tax more than the UK and have worse public services. Not a great deal. How many countries are in the fourth country? How many countries tax the average person? The same or less than the UK? But a better public services? Answer? None. Not one? Yes. Yeah. If it's possible to just raise tax on the Uber wealthy, and use that to improve public services, and not raise tax on the average person. Why has nobody in the world done it? Because it's not possible? Because they because you always have to impose capital controls, which is one answer. The other answer is that it doesn't add up. They just don't deliver a lot more normal people than there are super wealthy people. Right.

MR Well, so then 39:01 the final final question would be what's next for your Think Tank? And what what should we expect in the near future,

DN: work, which we expect? So we got a big report on tax avoidance coming out soon, not involving politicians, but involving a very well known industry, revealing hundreds of millions of pounds of tax avoidance, which hasn't been covered before. So that's coming out soon.

MR: What industry I have to ask.

DN: You have to ask it. I have to not tell you, sorry. Okay. State State. Stay tuned. We work.

MR: When are you publishing this?

DN 39:34 I think that's gonna be next week.

MR: Oh, good. Good.

DN: We've got I think, something coming out today in the ft on VAT and how VAT is holding back the growth of small companies a particular way in which the VAT works. We've got something coming out again, probably in a couple of weeks, about a way in which HMRC is not on purpose, but accidentally hurting some of the poorest in society and how that can be changed so that the Those next three things will go.

MR: Well, if it leads to cutting tax on working people and cutting VAT on small companies then I'm very, very happy to read about it. And I suppose then we're gonna leave it there. Dan Neidle thanks so much for your time and all the best to you and the family and the think tank. Happy New Year to you and yours and, and also to our sponsors and the listeners. The sponsor is H5 strategies in Bucharest, consulting firm for executives and politicians specialised in Africa, Eastern Europe and Central Asia. And also I have to say this has been the last episode of the season. We're going to take a few weeks or maybe a bit longer than that even, to look at how to approach the future episodes. And hopefully we'll be back in the spring with with new guests. Thanks very much.

DN: Thanks

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