House of Commons

Northern Ireland Affairs Committee

GOVERNMENT RESPONSE TO THE COMMITTEE'S FIRST REPORT: THE IMPACT IN NORTHERN IRELAND OF CROSS-BORDER ROAD FUEL PRICE DIFFERENTIALS: THREE YEARS ON

First Special Report
of Session 2002–03

Ordered by The House of Commons *to be printed 5 February 2003*

HC 412
Published on 11 February 2003 by authority of the House of Commons
London : The Stationery Office Limited
£4.00

The Northern Ireland Affairs Committee

The Northern Ireland Affairs Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Northern Ireland Office; administration and expenditure of the Crown Solicitor's Office (but excluding individual cases and advice given by the Crown Solicitor); and other matters within the responsibilities of the Secretary of State for Northern Ireland (but excluding the expenditure, administration and policy of the Office of the Director of Public Prosecutions, Northern Ireland and the drafting of legislation by the Office of the Legislative Counsel).

Current Membership

Mr Michael Mates, MP (*Conservative, East Hampshire*) (Chairman)
Mr Adrian Bailey, MP (*Labour / Co-operative, West Bromwich West*)
Mr Harry Barnes, MP (*Labour, North East Derbyshire*)
Mr Roy Beggs, MP (*Ulster Unionist Party, East Antrim*)
Mr Henry Bellingham, MP (*Conservative, North West Norfolk*) (discharged 02.12.02)
Mr Tony Clarke, MP (*Labour, Northampton South*)
Mr Stephen McCabe, MP (*Labour, Birmingham Hall Green*)
Mr Eddie McGrady, MP (*Socialist Democratic Labour Party, South Down*)
Mr Stephen Pound, MP (*Labour, Ealing North*)
Mr Peter Robinson, MP (*Democratic Unionist Party, East Belfast*)
Rev Martin Smyth, MP (*Ulster Unionist Party, Belfast South*)
Mr Hugo Swire, MP (*Conservative, East Devon*) (appointed 02.12.02)
Mr Mark Tami, MP (*Labour, Alyn & Deeside*)
Mr Bill Tynan, MP (*Labour, Hamilton South*)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the Internet via www.parliament.uk

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/commons/selcom/niahome.htm

Contacts

All correspondence should be addressed to The Clerk of the Northern Ireland Affairs Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 2172/3; the Committee's fax number is 020 7219 0580; and the Committee's e-mail address is: northircom@parliament.uk

FIRST SPECIAL REPORT

The Northern Ireland Affairs Committee has agreed to the following Special Report:—

Government Response to the Committee's First Report on The Impact in Northern Ireland of Cross-border Road Fuel Price Differentials: Three Years On, HC 105-I, Session 2002-2003

The Committee published its First Report of Session 2002-2003 on 27th November 2002. The response from John Healey MP, the Economic Secretary, HM Treasury, was received in the form of a letter and a memorandum on 30th January 2003, and is published as the Appendix to this Report.

APPENDIX

The Northern Ireland Affairs Committee published its report *The Impact in Northern Ireland of Cross-Border Road Fuel Price Differentials: Three Years On* in November 2002 and I enclose here the Government Response.

As I said when I gave evidence to the Committee in June 2002 alongside my colleague, Jane Kennedy, I very much welcomed the Committee's inquiry into this area which I considered very timely. In responding to your final report I can equally say that I welcome many of your findings.

The acknowledgement, endorsement and praise for Customs efforts and their officers is very welcome. When you visited Northern Ireland in February 2002 you saw Customs at work and I know that the Committee recognise the difficult and, at times, dangerous job Customs officers do. Your comments have been welcomed by Customs and, in particular, their officers on the ground and they, and I, are grateful for them.

Customs have worked very hard over the last two years and in the Government response we set out what they have achieved. However, they are determined to do more and over the coming months they will be:

- implementing in Northern Ireland the Government's UK-wide strategy to tackle, in particular, rebated fuels fraud and involving the introduction of the new regulatory regime to control the sale and distribution of rebated fuels

- increasing their activity focused on retail sites engaged in the sale of illicit fuel which is essential to tackling the problem of revenue evasion

- enhancing their visible presence on the roadside in Northern Ireland through a rolling programme of high-visibility roadside checks to make clear that any evasion will be tackled and provide a real deterrent to misuse

All of this work by Customs will be in the context of the multi-agency strategy which Customs are driving forward in the OCTF Expert Group. The Expert Group is already putting in place the framework which will ensure that on the ground there is a multi-agency response to the problems associated with road fuels fraud in Northern Ireland. This work is already bearing fruit; for example during December 2002 Customs, the Police Service of Northern Ireland and the Driver and Vehicle Testing Agency ran a joint operation targeting illegal taxis which resulted in 12 detections for Customs, 33 for the DVTA and 38 for the police. This kind of joint operation is exactly what the OCTF and the multi-agency strategy will deliver.

I have noted the conclusions of the Committee in relation to duty rates. As I explained when I gave evidence, we are acutely aware of the wider implications of setting duty rates at certain levels, especially where fraud is concerned; and, indeed, fraud is among the economic, social and environmental factors that the Chancellor takes into account in reviewing duty rates as part of the Budget process. However, the fraud problems in Northern Ireland in particular are very complex and duty differentials are only one part of the picture.

B) We welcome the increase in deliveries of legitimate fuel to Northern Ireland and see this as an encouraging outcome of more effective HMCE enforcement but it is essential that this trend is maintained and improved (paragraph 18).

F) The social fabric of Northern Ireland is being undermined by a significant culture of non-compliance, not just through fuel duty evasion, but in other areas. It is imperative that the Government takes action to address the social and economic problems associated with fuel duty differentials. Decisive action is needed now in order to stem the tide of lawlessness and bring about lasting economic stability in Northern Ireland (paragraph 37)

J) Since the increase in staff from 25 to 163 targeted on oil duty evasion, HM Customs and Excise has had greater success in stemming the flow of smuggled fuel. We welcome these achievements and pay tribute to the efforts of all concerned in bringing this about (paragraph 61).

P) We consider that the setting of targets and performance indicators for HMCE is essential in order to measure and evaluate their success properly. We congratulate HMCE on their success to date, but given the pressing nature of the problems in NI, we call upon the Government to match their expectations of what HMCE can achieve with adequate long term funding in order to bring about more effective enforcement (paragraph 85).

Q) The £7 million a year spent on enforcement operations in NI resulted in between £20 and £25 million in extra revenue to the Exchequer. Given the return on investment that enforcement produces it makes sense to maximise the ability of HMCE to enforce the law (paragraph 86).

R) We welcome the progress made by the Organised Crime Task Force since its inception in September 2000 and hope this strategic approach will prove effective in tackling the cross-border smuggling problems caused by fuel duty differentials (paragraph 88).

The Government has made clear its commitment to tackling the problems of revenue evasion in the Northern Ireland road fuel sector. As the Committee has noted, Customs have increased the number of officers involved in tackling oils fraud so that since January 2001 more than 160 officers have been dedicated to this work. These officers have achieved notable successes; in 2000/2001 and 2001/2002 they have, in Northern Ireland:

- seized over 5 million litres of illicit fuel
- broken up 9 criminal organisations involved in oils fraud
- secured the conviction of 25 individuals involved in oils fraud
- seized 996 vehicles from oils fraudsters
- broken up 25 laundering plants

The Government welcome the Committee's acknowledgement and praise for the efforts of these officers who have achieved these results. Most importantly, and again as the Committee have noted, deliveries of legitimate road fuel into Northern Ireland increased during 2001 for the first time in five years. Deliveries of petrol increased from 405 million litres in 2000 to 430 million litres 2001 while diesel deliveries rose from 190 million litres to 205 million litres in the same period. This represents an overall increase of 7%.

The Government is determined to build on the good results already achieved by Customs and Excise but recognise, as this Committee and the Public Accounts Committee have also noted, that to do so requires a multi-agency approach. Revenue losses in the oils sector are only one manifestation of a general non-compliance problem in the road fuel sector which covers health and safety issues, trading standards offences, direct tax evasion, road traffic offences and environmental threat. The most effective solution to all these problems is a multi-agency strategy where agencies work closely together operationally and in sharing information to achieve common goals. A multi-agency strategy allows effective action to be taken at all points of the road fuel sector where the law is broken, whether that be revenue evasion, health and safety breaches or trading standards offences.

Customs are playing a leading role in the development of such a multi-agency strategy through the Northern Ireland Organised Crime Task Force (OCTF), chaired by the Northern Ireland Security Minister, Jane Kennedy, MP. The OCTF Expert Group focusing on non-compliance in the Northern Ireland road fuel sector involves seven agencies and has already met twice. It has ensured effective communication channels are in place and is developing a media strategy to maximise all publicity opportunities. Most importantly it is ensuring that real multi-agency action can be put in place on the ground. The Expert Group has hosted a training and awareness seminar at which over 50 officers from those seven agencies attended. The agencies in the Expert Group are currently developing clear plans to ensure they maximise their operational response on the ground both individually and through co-operation.

The Government agrees with the Committee that sustained progress towards tackling the problem of oils fraud in Northern Ireland will depend on the successful introduction of a multi-agency strategy which deals with the wider problems of non-compliance in the Northern Ireland fuel retail sector. The OCTF has been the vehicle through which a multi-agency approach is being developed. This multi-agency strategy will look to build on the existing successes of Customs and put in place a multi-agency strategy which has the tools and operational responses to tackle the problems of non-compliance in the Northern Ireland road fuel sector.

Customs will be a key part of this strategy and the continued enhanced resources are a clear sign of the Government's commitment to tacking oils fraud in Northern Ireland. The Government accepts the importance of targets and performance indicators and Customs have a range of internal indicators in place. However, their activity will be part of the wider strategy. Integral to the development of this strategy will be clarity about what each agency will deliver in terms of appropriate targets and ensuring that each agency has the resources to deliver what is expected of them.

C) Although the principle of a unitary tax and duty rate throughout the UK may in general be justified, the Treasury needs to recognise the detrimental impact this is having in Northern Ireland, where the rate of fuel duty is substantially higher than that in force in the Republic of Ireland (paragraph 29).

E) We believe that the existence of a significant cross-border road fuel price differential, combined with the difficulty of carrying out normal law enforcement

within Northern Ireland, is helping terrorism and organised crime to sustain itself and indeed to increase its influence. It is within the Treasury's power to mitigate a significant source of paramilitary and organised crime finance by reducing fuel duties in Northern Ireland (paragraph 35).

G) It makes no sense for the Treasury to have closed its mind to the option of a reduced fuel duty rate in Northern Ireland when it has not carried out a proper cost-benefit analysis of the impact of the fuel duty differential on Northern Ireland. We recommend that this study should be carried out as a matter of urgency, as a prelude to determining the level at which the fuel duty rate in Northern Ireland should in future be set. We look forward to receiving the results of this analysis in the Government's Response to our Report (paragraph 51).

I) We urge the Government to implement a separate lower rate of fuel (petrol and diesel) duty in Northern Ireland, by a derogation if necessary; to consult with the Government of the Republic of Ireland to ensure that duty rates move broadly in line in order to achieve greater harmonisation; and to review the impact of this move at regular intervals (paragraph 58).

The Government recognises the effect of the duty differentials between the Republic of Ireland and Northern Ireland on the latter's economy. The Chancellor's Pre-Budget report, for example, estimated the total revenue loss due to oils fraud and legitimate cross border shopping in Northern Ireland to be £370 million in 2001, and the Government has launched a multi-agency strategy under the Organised Crime Task Force, and deployed additional Customs and Excise staff to counter the fraud aspects of this loss.

With the deployment of the additional staff in Northern Ireland over the last two years, Customs have broken up 25 laundering plants and 9 criminal organisations involved in oils fraud. Customs will, with support from the Police Service of Northern Ireland, continue to identify and crack down on the criminal organisations behind oils fraud.

The Government accepts that reducing the duty rate would have some effect in reducing the problems caused by cross-border shopping. However, this cannot be properly calculated, as we do not have accurate cross-border traffic figures to enable reliable estimates of fraud and thus distinguish this from legitimate cross-border shopping. Oils fraud in Northern Ireland therefore is not just a question of duty differentials. It is much more complex. Much of the oils fraud involves the misuse of rebated oil (oil for agricultural or off-road use, dutied at 3.13p per litre) or entirely duty-free oil (oil for industrial use other than heating or as engine fuel) rather than smuggling. Indeed, much smuggled fuel is mixed with rebated fuel, to make it cheaper still. It is therefore important to note that removing the incentive to smuggle will not stop the involvement of organised crime in oils fraud as the incentive to engage in rebated fuels fraud will remain and would undoubtedly engage organised criminality more as activity is displaced into it from smuggling. The question of duty differentials with the Republic of Ireland is, therefore, only part of the picture. Nor should questions of duty rates disguise serious organised criminality and criminal exploitation of vital rebated fuel schemes.

Furthermore, Northern Ireland is not the only part of the United Kingdom affected by duty differentials with bordering countries. In the South East of England, for example, motorists travelling across the Channel to France are also entitled to fill up their tanks with cheaper fuel, as long as it is for personal consumption, before returning to the United Kingdom. Although the effects of duty differentials in Northern Ireland may be starker than elsewhere due to the land border with the Republic, the Government's strongly-held principle is that United Kingdom taxes should be applied at the same rates and with the same coverage throughout the United Kingdom. Departing from this principle of unitary taxation in the case of Northern Ireland would set a precedent that would be likely to lead to calls for similar treatment in other parts of the UK where it could also be argued that local conditions were exceptional.

If there were parity between duty rates in the Republic of Ireland and Northern Ireland, the Government would expect cross-border shopping to be substantially reduced. Duty on petrol would need to be reduced by 20 pence per litre, and on diesel by 26 pence per litre, to achieve parity with the current rates in the Republic of Ireland. Customs' estimates suggest that reductions of this order would lead to a loss in revenue from current UK duty paid deliveries of petrol of £85 million a year, which would be offset partly by a revenue gain, of £70 million at most, from a reduction in cross-border shopping and fraud.

For diesel, the revenue loss from current UK duty paid deliveries would be £60 million a year. Although there would be some reduction in cross-border shopping and smuggling, the extent to which this would offset the revenue loss is uncertain, because other types of fraud (such as rebated fuels fraud) would continue, and might be expected to increase as they displaced some cross-border shopping and smuggling. For this reason, no estimates are available of the net effect on diesel revenue of a reduction in the duty rate to Republic of Ireland levels.

If the Government were to pursue the option of a separate rate of duty for Northern Ireland, it would – as the Committee recognises – have to seek a derogation from the EU Mineral Oils Directives as there is no specific provision for a Member State to introduce a reduced rate for one part of its territory other than by derogation.

The only reduced rates of this kind in other Member States were already in existence when the Directives were agreed, and in some cases the Member States concerned were authorised to maintain them only for a limited period.

Generally, the relevant enabling Directives (92/81 and 92/83) currently in force envisage a single rate of duty for each product in each Member State.

The Government considers that it is highly unlikely that the EU would consider a proposal for a reduced rate in Northern Ireland as acceptable, and any such application would almost certainly be viewed as a State aid to Northern Ireland business and would not be approved by the European Commission.

The Republic of Ireland has recently increased its diesel duty rates. Whilst the Government will consult the Government of the Republic of Ireland about tackling smuggling of oils, it believes that individual member states should be free to set duty rates, above EU minimum levels, without the interference of other bodies or states.

D) We consider that, environmentally, a reduction in carbon emissions in Northern Ireland would be welcome, no matter how insignificant this output seems in comparison to the overall emissions levels in the UK as a whole. This objective cannot be achieved while the fuel price differentials encourage cross-border trade and fuel duty evasion. We recognise the ineffectiveness of road fuel duty as a means to bring about environmental improvements in Northern Ireland and recommend that the Government look at alternative ways of achieving its environmental goals in this part of the United Kingdom (paragraph 31

The Government does not believe that reducing the differential between duty rates in Northern Ireland and the Republic of Ireland would have any beneficial effects on reducing carbon emissions. Indeed, as for most other products, consumption of oil will increase in response to any reduction in price and this will produce a consequential increase in carbon emissions. Customs have estimated that, if duty rates between the Republic of Ireland and Northern Ireland were the same, the incentive for legitimate cross-border shopping for fuel would be removed but some cross-border shopping would continue, as some people would still shop across the border for other items and buy fuel when making such other purchases.

Although the incentive for motorists to travel across the border solely to "shop" for cheaper fuel would be removed, the total level of fuel consumption would not fall, as the likely result of any decrease in price would be an increase in consumption generally, producing consequential rises in the levels of carbon emissions. For example, based on 2001 figures, the increase in consumption that would come about if duty rates in Northern Ireland were reduced by 20 pence per litre is 55 million litres per year. This would lead to an increase in carbon emissions of 40 tonnes per year and would more than offset the nugatory savings of emissions that would be made in the Republic of Ireland as a result of reduced journeys there to purchase fuel by Northern Ireland drivers.

The Committee also suggests that the Government look at other ways of achieving its environmental goals in this part of the UK. However, it is difficult to envisage how the Government's goals of reducing carbon emissions and improving local air quality could be achieved other than by imposing new limitations on the freedom of Northern Ireland motorists to use fuel, so as to ensure that emissions did not increase in response to any price reduction.

A) We are particularly concerned about the 200 operators who in the main trade legally but are tempted to take the odd load of illegal fuel to stay afloat. This demonstrates the insidiousness of the corruption (paragraph 12).

K) We believe that it is now time to put in place a more comprehensive and effective licensing regime (paragraph 71).

L) We recommend that this regime should include a range of sanctions for breaches of licence conditions up to and including the revocation of the licence to trade (paragraph 72).

M) Compliance with such licence conditions would give the enforcement authorities a much greater measure of control over fuel retail sites (paragraph 73).

T) We welcome the introduction of an approval scheme for distributors of rebated fuel. We recognise the benefits of the scheme in providing HMCE with a high level of intelligence on the sale and use of rebated fuel. We would like to see this incorporated into the new strengthened and more comprehensive licensing regime we have already advocated (paragraph 94).

The Government is acutely aware that the road fuel retail sector has a high degree of illicit market penetration. Customs estimate that approximately one third of retail sites in Northern Ireland sell predominantly illicit fuel while a further third sell illicit fuel on a regular basis.

An essential part of an effective multi-agency strategy must be decisive action against retail sites selling illicit fuel and also breaking other statutory obligations, for example health and safety issues and misdescription of goods offences.

Responsibility for licensing petrol sites lies with Local Authorities in Northern Ireland and is currently principally focused on health and safety criteria. However, as part of the developing multi-agency strategy the OCTF Expert Group is examining the scope to put in place a more effective licensing regime which will address the current threats in the road fuel sector.

As this work progresses Customs are increasing their activity to target retail sites engaged in the sale of illicit fuel through a series of operations. They will be working closely with other agencies so that those agencies can tackle breaches of their statutory responsibilities and apply the appropriate sanctions.

H) We believe that if the Government can acknowledge the very special circumstances of Northern Ireland and act accordingly in one specific case, it can do so in another, equally specific case, without detriment to the general principle of unitary taxation (paragraph 54).

The circumstances leading to the Government's current treatment of the aggregates levy in Northern Ireland are not readily comparable to the problems of oils fraud and cross-border shopping. The Government's decision to phase in the introduction of the aggregates levy over five years specifically in Northern Ireland was made because imported processed products from the Republic of Ireland have a potential advantage as the aggregate they contain is untaxed, while aggregate contained within domestically produced products is taxed. The measure is therefore intended to allow the Northern Ireland processed products industry more time to adapt, by making more efficient use of virgin aggregate and increased use of recycled aggregate and alternative materials, such as waste glass and tyres.

The special treatment for aggregates levy is not directly comparable to amending existing tax regimes because it is only a temporary measure, applying to one very specific sector – processed aggregate products – and is designed to reflect the short-term effects of the introduction of a new tax and the low levels of aggregates recycling in Northern Ireland. The phased introduction has been approved under the EU's State aid guidelines on environmental protection, which allows for temporary exemptions from new environmental taxes because of temporary risks of a loss of international competitiveness.

N) We appreciate that HMCE are best placed to determine the appropriate course of action in each case. Nonetheless, we believe that prosecution, followed by imprisonment and/or financial penalties is an essential element in an effective compliance strategy. We would expect that, with increased resources, HMCE should prosecute more frequently and effectively (paragraph 81).

O) We also recommend that the Government impress upon the judiciary the need for exemplary sentences in cases of fuel smuggling or laundering, in order to send out the right message to the criminals concerned and anyone tempted to become involved in these frauds (paragraph 82).

All of Customs' anti fraud strategies set out the wide range of sanctions that are available, and the circumstances in which each could be applied to have the greatest impact on the fraud. As part of the strategy announced in the Budget, Customs will be introducing a new sanctions policy designed to apply the maximum pressure to those engaged in oils fraud.

Customs constantly review the sanctions it uses and whether they are effective. If they consider that current penalties are not effective in helping them to tackle criminal activity Government will examine options to provide them with the necessary sanctions and penalties to be effective.

Prosecution is one of the sanctions available and is an important part of Customs' armoury. It is an important sanction, applied where it is proportionate to the outcome. Customs will, therefore, continue to target and prosecute the organisers of major frauds, particularly in cases where there is reason to believe that substantial assets will be confiscated following prosecution.

The length of time of the judicial process can make it difficult to assess properly the impact of prosecutions but during 2001/2002 there was an increase in the number of individuals convicted for oils fraud in Northern Ireland from 5 in 2000/2001 to 15 in 2001/2002. Moreover, Customs saw an increase in the average length of sentence handed down in their oils fraud cases in Northern Ireland from 3 months during 2000/2001 to 16 months during 2001/2002. This increase reflects in part the more serious cases Customs are now tackling in Northern Ireland but also, we believe, the increased awareness in the judiciary of the seriousness of oils fraud in Northern Ireland.

Customs always ensure when progressing criminal proceedings that the courts are aware of the seriousness of oils fraud and they will continue to do this.

S) We welcome HM Customs and Excise research into technologically advanced fuel markers and urge the Government to provide sufficient resources to fund the implementation and application of more complex technologies as speedily as possible (paragraph 91).

As part of the Government's UK Oils strategy Customs are assessing how technology can assist their efforts to tackle oils fraud. This work includes examining testing equipment and new markers and dyes for rebated fuels. As soon as Customs identify where technology can assist them they will look to ensure it is exploited to its maximum potential. The Government has provided additional funding for this research and development work which is essential if Customs are to maximise their operational activity.

U) We believe the Danish scheme for offsetting rebates against VAT could assist HM Customs and Excise in controlling the use of rebated fuels and minimising losses to the Exchequer. We urge the Government to press ahead with its evaluation of the Danish scheme to assess whether a similar scheme is suitable for introduction in the UK, alongside the approval scheme for distributors of rebated fuel (paragraph 95).

Since 1992 Denmark has operated a system whereby claims for rebated fuel are linked to VAT returns. Under this system all duty is paid at the point of sale, and rebates are subsequently reclaimed and/or offset against VAT returns.

Customs are keen to implement any measure that might improve their anti-fraud strategy. However, their initial evaluation of the Danish scheme is that it is complex to operate, and the possible administrative costs of operating such a system are a matter of concern (for example, the duty point for fuels would need to be altered, and considerable changes in the operation of Customs' VAT accounting systems would be needed).

At this stage, Customs are still in the process of introducing their Registered Dealers in Controlled Oils scheme (RDCO), and will need to review this scheme when it has been given more time to bed down, before considering further administrative measures. During this evaluation, Customs will also reconsider whether there would be benefits in offsetting any rebates against VAT along the lines of the Danish scheme.

V) The Government should be taking the lead in highlighting the dangers of using smuggled or laundered fuel. We recommend the use of appropriately targeted advertising and media campaigns to reinforce actions being taken on the ground by HM Customs and Excise and the police (paragraph 98)

Publicity is a very important element of all law enforcement work and in the Northern Ireland road fuel sector in particular. Indeed, as part of the UK Oils strategy the Government have provided additional funding for both a targeted publicity campaign in all the major trade journals to highlight the penalties that those who use illegal fuel face and a leaflet campaign aimed at the general public to highlight what the Government is doing to tackle oils fraud.

This publicity and leaflet campaign will run in Northern Ireland as elsewhere in the UK. In addition to this in Northern Ireland specifically, Customs have been working with other agencies in the OCTF Expert Group to develop a media strategy which will use all the opportunities available to highlight successes against fraudsters. This campaign will seek to highlight not only that the Government is cracking down on revenue evasion but also that the penalties fraudsters could face are robust.

Printed in the United Kingdom by The Stationery Office Limited
2/2003 821605 19585 CRC supplied

Distributed by TSO (The Stationery Office)
and available from:

TSO
(Mail, telephone and fax orders only)
PO Box 29, Norwich NR3 1GN
General enquiries 0870 600 5522
Order through the Parliamentary Hotline *Lo-call* 0845 7 023474
Fax orders 0870 600 5533
Email book.orders@tso.co.uk
Internet http://www.tso.co.uk/bookshop

TSO Shops
123 Kingsway, London WC2B 6PQ
020 7242 6393 Fax 020 7242 6394
68–69 Bull Street, Birmingham B4 6AD
0121 236 9696 Fax 0121 236 9699
9–21 Princess Street, Manchester M60 8AS
0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
028 9023 8451 Fax 028 9023 5401
18–19 High Street, Cardiff CF1 2BZ
029 2039 5548 Fax 029 2038 4347
71 Lothian Road, Edinburgh EH3 9AZ
0870 606 5566 Fax 0870 606 5588

The Parliamentary Bookshop
12 Bridge Street, Parliament Square
London SW1A 2JX
Telephone orders 020 7219 3890
General enquiries 020 7219 3890
Fax orders 020 7219 3866

Accredited Agents
(see Yellow Pages)

and through good booksellers

ISBN 0-215-00812-X
9 780215 008121