



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

Bambos Charalambous MP
House of Commons
London
SW1A 0AA

Your ref: BC67810
12 May 2026

Dear Bambos,

Thank you for your letter of 24 March about the UN Tax Convention. I welcome the engagement from colleagues on this issue.

The UK has long been a leader in international tax cooperation, championing initiatives through the G20 and OECD to improve tax transparency and tackle base erosion and profit shifting. The Inclusive Framework on Base Erosion and Profit Shifting, and the Global Forum on Tax Transparency and Exchange of Information, both of which have over 140 member jurisdictions, have achieved considerable progress in combating tax avoidance, offshore evasion and illicit financial flows. Recent analysis identifies that the tax transparency work alone has enabled developing countries to identify over EUR 41 billion in tax revenue since 2009.

The UK has also been a committed supporter of Tax Inspectors Without Borders, the initiative jointly run by the UNDP and the OECD to provide practical support to developing country tax administrations. TIWB's annual report recognised HMRC as one of its most active contributors. For over 10 years, HMRC has had a dedicated Capacity Building Unit, providing support on a peer-to-peer basis to partner tax administrations in ODA-eligible countries. That has included practical advice on compliance or transfer pricing, for example, and it has also included support to implement international tax rules.

The UK has been engaged constructively in tax negotiations at the UN - we are committed to ensuring inclusive and effective international tax cooperation. A future UN Framework Convention could have a role in supporting that aim, but it will only be successful if it seeks to build upon rather than reinvent existing initiatives, and seeks to secure the broad support and participation of members.

In the UK's verbal and written submissions to the process, we have advocated for expanding on the environmental dimension of sustainable development, including reference to the Polluter Pays Principle. The Government is committed to maintaining an ambitious carbon pricing scheme to ensure that polluters continue to pay for their

emissions, through the Carbon Price Support and the UK Emissions Trading Scheme (ETS). The ETS is viewed by the International Monetary Fund and World Bank as one of the most efficient tools for promoting decarbonisation and the Government is committed to continue the UK ETS until at least 2050. The ETS raised c.£3.4 billion in the 2024-25 financial year. Revenues accrue to the Consolidated Fund to fund public services and other Government objectives, such as net zero.

I hope this response is helpful. Thank you for taking the time to make me aware of your concerns.

Best Wishes,

A handwritten signature in black ink, appearing to read 'DM Tomlinson', written in a cursive style.

DAN TOMLINSON MP
EXCHEQUER SECRETARY TO THE TREASURY