



**UK UNCUT
LEGAL ACTION**

Timeline of the case

Late 1990s - Goldman Sachs, along with other major banks, began using a scheme designed to avoid paying national insurance contributions on the bonuses paid to its London staff, using an offshore company in the British Virgin Islands.

2005 - All other major banks using the schemes settle with HMRC. Goldman Sachs refuses to settle and is informed by HMRC that it would be required to pay interest in due course.

2010

July - HMRC's leading counsel gives "broadly positive" advice that HMRC can recover all outstanding national insurance contributions from Goldman Sachs, including interest.

17 October - George Osborne invites all banks to sign the Code of Practice on Taxation for Banks, a non-binding statement of principles, within one month "to make them good taxpayers".

19 November - Dave Hartnett, Permanent Secretary for Tax, leads a meeting with Goldman Sachs at the company's offices. Goldman Sachs agrees to pay unknown sums in outstanding national insurance contributions, while HMRC agrees to concede interest for the 5 years of the dispute. The interest lost has been reported to be up to £20 million. At the same meeting Goldman Sachs' head of tax said he would recommend the bank sign up to the Code of Practice on Taxation for Banks.

30 November - George Osborne announces that all 15 top banks, including Goldman Sachs, have adopted the Code of Practice on Taxation for Banks, saying that "this shows that the coalition government is taking action to ensure banks pay their fair share".

30 November - HMRC's High Risk Corporate Programme Board, an internal review body, rejected the settlement agreed on 19 November with Goldman Sachs due to the failure to collect any interest on the national insurance contributions.

6 December - Dave Hartnett returns from a holiday in India, having been told that Mike Housden, Goldman Sachs' UK head of tax had "gone off the deep end" after being told of the Board's decision and threatened that Goldman Sachs would withdraw from the Code if the settlement was re-opened.

7 December - In an internal email Dave Hartnett proposes that the settlement be approved despite the Board's decision, saying "The risks here are major embarrassment to the [Chancellor of the Exchequer], HMRC, [...] you and me, not least if [Goldman Sachs] withdraw from the Code."

8 December - Meeting takes place at HMRC with HMRC's General Counsel, Mr Inglese, who advised HMRC officials "that we could go back and reopen" the settlement that had been reached with Goldman Sachs.

9 December - Dave Hartnett met with another HMRC tax commissioner, Melanie Dawes, and decided to confirm the settlement with Goldman Sachs. No written record of this meeting was made.

10 December - Dave Hartnett calls Goldman Sachs to confirm they are going ahead with the settlement.

2011

22 February - HMRC writes to Goldman Sachs to confirm that they are going ahead with the settlement.

March - Osita Mba, a lawyer at HMRC, becomes a whistleblower on the deal, circulating previously secret documents to the National Audit Office (NAO) and the Public Accounts Committee. This first brought the case to light outside of HMRC.

April - Private Eye publishes details of the deal between HMRC and Goldman Sachs.

11 October - The Guardian publishes leaked documents exposing the settlement between HMRC and Goldman Sachs.

18 October - UK Uncut Legal Action submits a letter before claim to initiate legal proceedings against HMRC.

19 October - Internal criminal investigators at HMRC started "a review of the suspect's [Mba's] H drive [the hard drive used within HMRC] and email traffic and internet usage", and proposed a "further interrogation of computer material". These searches failed to reveal any illegal activity.

14 December - The Public Accounts Committee publishes its report into large tax settlements, including stinging criticising of HMRC saying "the evidence of the department's senior officials fails to give us any confidence in the way large settlements are reached".

15 December - Dave Hartnett meets with Amyas Morse, the head of the NAO to discuss a forthcoming investigation by the NAO of HMRC's large tax settlements, in which Morse explained that he had "made clear to the NAO that his expectation is that nothing of substance will be found in the review".

2012

13 June - Permission hearing in the case of R (UK Uncut Legal Action) vs HMRC

14 June - The NAO publishes its report of the judge led inquiry into the reasonableness of five large tax settlements, including the settlement reached with Goldman Sachs. It concluded that several things went wrong in the process by which the settlement was agreed, but found that the overall settlement was reasonable.

2013

18 March - The Guardian publishes leaked material showing that Amyas Morse told Dave Hartnett that the NAO report would find nothing of substance.

29 April - The Guardian publishes leaked documents showing that HMRC used intrusive investigative powers designed to catch criminals against Osita Mba, the HMRC whistleblower who exposed the case, and his wife to try and show that he had contacted the newspaper. The Guardian also reveals that four of the large tax settlements reached by HMRC were worth £4.5 billion.

2 May - Full court hearing in the case of R (UK Uncut Legal Action) vs HMRC