



GRAHAM AARONSON QC

11th November 2011

Mr David Gauke MP
Exchequer Secretary
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Dear Mr Gauke

GAAR Study Report

Last December you asked me to carry out a study to consider whether a general anti-avoidance rule would be beneficial for the UK tax system.

I convened an Advisory Committee of six experts from academia, the judiciary and business. I am greatly indebted to them for their unstinting support and for the rigour of their analysis of every point that arose for consideration throughout the study.

With the benefit of their advice I have prepared the Report which I have pleasure in submitting to you today.

As you will see, I have in the Report strongly recommended the introduction of a GAAR specifically targeted at highly artificial and abusive tax schemes. I have accordingly appended to the Report an illustrative draft of a GAAR which would be so targeted. Also appended is an illustrative Guidance Note which is to be read in conjunction with the illustrative GAAR.

Kind regards.

Yours sincerely

Graham Aaronson QC