

The UK insurance industry is also concerned at the proposed US plans to tackle tax evasion. (*US tax swoop faces bank backlash – 26 August*). The global nature of today's market means of course there need to be international co-operation to fight tax evasion, as seen through the EU's Savings Directive. However, the onerous costs and penalties of the US proposals do not reflect the very low risk of US tax evasion through UK insurers. Our initial research shows UK insurers have less than 0.1% of US residents as customers.

There is a good track record of UK and US tax authorities working closely and the time is right to build on that and not damage relations with such widely scoped rules.

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