



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

27 February 1990

Dear Tosh,

COMPOSITE RATE TAX

BE The Prime Minister has noticed that over recent weeks there has been heavy press coverage on the implications of the introduction of independent taxation for investments where interest is paid net of tax. She is concerned about the possible implications of large-scale switches of investments by those married women who will in future have unused personal tax allowances including, for example, switches to offshore investments. She would therefore be grateful for an updated report from the Chancellor on how quickly it would be possible to introduce changes to remove non-tax payers from tax liability on investments currently covered by the composite rate tax arrangements.

Yan
Pai

(PAUL GRAY)

John Gieve, Esq.,
HM Treasury.