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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

30 May 1990

Dear Julie,

THE BERMUDA PROTECTION AND INDEMNITY ASSOCIATIONS

The Prime Minister's attention has been drawn to the proposed tax treatment of those Protection and Indemnity Associations based in Bermuda. She understands that the Inland Revenue has issued a tax assessment on their investment income for 1983-84 and that previously such income had been regarded as not liable to tax.

The Prime Minister is concerned that, if her understanding is correct, this change in practice could jeopardise jobs and revenues in the city in a number of areas which provide advisory and administrative services.

The Prime Minister wonders whether the Treasury should give sympathetic consideration to a clause in the Finance Bill which would clarify the position.

I am copying this letter to Tancred Tarkowski (HM Treasury).

Yours,
Barry

(BARRY H. POTTER)

Ms. Julie McClatchey,
Chairman's Office,
Board of Inland Revenue.

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