

C.F.


MR. POTTER

for information

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THE BERMUDA PROTECTION AND INDEMNITY ASSOCIATIONS

You will know that the Treasury is not prepared to introduce a new clause to the Finance Bill which would deal with the specific situation of the Bermuda P&I "Clubs". I also understand that the Revenue is not prepared to withdraw the protective assessments for 1983/1984 so the Clubs will have to annotate their accounts for that period which will bring the issue out into the open.

However, those who advise the Clubs met the Financial Secretary recently and have an offer of further discussions which is to be confirmed in writing. They hope that this "letter of comfort" will specifically say that the aim of the discussions is the ultimate clarification of the position in next year's Finance Bill. The lack of such an assurance would very likely be seen as a clear signal that there had been a change of fiscal policy which would cause them to take their business away from London.

Howell Harris Hughes

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