

# Government update on Corporation Tax

News story

The government has today, Friday 14 October, announced that Corporation Tax will increase to 25% from April 2023 as already legislated for, raising around £18 billion a year and acting as a down payment on its full Medium-Term Fiscal Plan.



- The Prime Minister has set out that the way the government is delivering on its mission to achieve a low tax, high wage, high growth economy is to change.
- The legislated increase in the Corporation Tax rate from April 2023 will go ahead, with most small businesses benefitting from the new small profits rate.
- Chancellor Jeremy Hunt will deliver the Medium-Term Fiscal Plan on 31 October, detailing action to get debt falling as a percentage of GDP over the medium term.

The decision has been taken in recognition of the need to ensure the UK's economic stability and reassure markets of its commitment to fiscal discipline, after elements of September's Growth Plan went further and faster than markets were expecting.

The Prime Minister has set out that the government is prepared to do whatever is necessary to ensure debt is falling as a share of the economy in the medium term and to ensure that taxpayers' money is well spent, putting public finances on a sustainable footing.

The previously announced small profits rate of Corporation Tax will be maintained. Smaller or less profitable businesses will not pay the full 25% rate, and companies with less than £50,000 of profit – the large majority – will not see any increase at all, continuing to pay Corporation Tax at 19%.

The UK's corporate tax regime will remain competitive and supportive of growth at the 25% rate, continuing to be the lowest rate in the G7. As part of the forthcoming tax review, the government will look at how the tax system can go further to promote growth and investment.

The government is committed to growing the economy and taking forward supply-side reforms that will ignite strong and sustained growth that delivers prosperity for the UK.

Chancellor of the Exchequer Jeremy Hunt will set out the government's Medium-Term Fiscal Plan on 31 October, alongside a full forecast from the independent Office for Budget Responsibility.

### **Further information**

- The around £18 billion raised per year through an increase in the Corporation Tax rate to 25% is an approximate figure. The OBR will assess the fiscal impact of the change on 31 October.
- The Chancellor will confirm the position on the Bank Surcharge in the Medium-Term Fiscal Plan.

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## **North Korea ballistic missile launch: FCDO statement**

Press release

A Foreign, Commonwealth & Development Office spokesperson statement on North Korea's ballistic missile launch on 14 October.



A Foreign, Commonwealth & Development Office spokesperson said:

North Korea continues to violate UN Security Council Resolutions by conducting a further ballistic missile test on 14 October.

Alongside our allies and partners, the UK is committed to peace on the Korean Peninsula, upholding the rules-based international system and securing an end to North Korea's illegal activities.

The recent increase in DPRK missile and military activity is destabilising regional peace and security. It is critical that sanctions which target the DPRK's unlawful weapons development remain in place while its programmes exist. We urge North Korea to refrain from further provocations, and to return to dialogue with the US.

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## [Joint statement by the Iraq Economic Contact Group](#)

Press release

The UK and Japan co-hosted a meeting on economic reform and climate action in Iraq at the Annual Meetings of the IMF and the World Bank Group



The Iraq Economic Contact Group (IECG) met today with Iraqi representatives in Washington DC. Representatives from Iraq, the World Bank, International Monetary Fund (IMF) and G7 discussed Iraq's economic challenges and opportunities and the need for significant economic reform.

Despite some progress achieved under the current government in a challenging context, Iraq continues to face daunting medium and long-term economic challenges which are compounded by the negative impacts of climate change – including water scarcity, desertification, drought, and soaring temperatures. The IECG encourages the Government of Iraq to drive forward an ambitious economic reform agenda and take decisive climate action.

Iraq's economic reform and recovery, the consolidation of its democracy, and increasing the participation of women and girls in all aspects of the country's economic and political life, are all key to promoting stability not only in Iraq but also in the region.

Diversifying the economy and building an inclusive and dynamic private sector to complement the hydrocarbon industry will promote macroeconomic resilience and provide opportunities and livelihoods for the people of Iraq. This will require reforms that improve the business environment, modernise the financial sector, strengthen macroeconomic stability and public financial management, and fight against corruption; catalysing growth and creating the building blocks for the private sector to thrive.

Investing Iraq's oil revenues prudently – through good governance, effective fiscal management, and transparency – will be important to rebuilding and climate-proofing infrastructure and improving basic services, creating the foundations for sustainable growth.

The IECG remains committed to supporting the Government of Iraq to tackle Iraq's important economic and social challenges.

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## [Political Peerages 2022](#)

Press release

The King has been graciously pleased to signify His intention of conferring the following Peerages of the United Kingdom for Life.



The King has been graciously pleased to signify His intention of conferring Peerages of the United Kingdom for Life upon the undermentioned:

## **Nominations from the former Leader of the Conservative and Unionist Party**

1. Angie Bray – Formerly Member of Parliament for Ealing Central and Acton, and leader of the Conservative Group in the London Assembly.
2. Graham Evans – Formerly Member of Parliament for Weaver Vale.
3. Sir Michael Hintze – Businessman, founder of the Hintze Family Charitable Foundation; Trustee of the National Gallery.
4. Stewart Jackson – Formerly Member of Parliament for Peterborough, and Special Adviser at the Department for Exiting the European Union.
5. Kate Lampard CBE – Chair of GambleAware; Lead Non-Executive Director of the Department for Health and Social Care.
6. Dr Sheila Lawlor – Founder and Director of Research at Politeia.
7. Dr Ruth Lea CBE – Economist, former civil servant and think tank director.
8. Dr Dambisa Moyo – economist and author; formerly Commissioner for the Commission on Race and Ethnic Disparities.
9. Teresa O’Neill OBE – Leader of the Council in the London Borough of Bexley; Vice Chair on London Councils; Deputy Chair of the Local Government Association.
10. Professor Andrew Roberts – historian and journalist; Founder-President of the Cliveden Literary Festival.
11. Dr Cleveland Anthony Sewell CBE – formerly Chair of the Commission on Race and Ethnic Disparities; Chair of Generating Genius.
12. Rt Hon Sir Nicholas Soames – formerly Member of Parliament for Mid Sussex, and Minister of State for the Armed Forces.
13. Sir Hugo Swire – formerly Member of Parliament for East Devon, and Minister of State at the Foreign and Commonwealth Office.

## **Nominations from the Leader of the Labour Party**

1. Sonny Leong CBE – Co-Founder and Co-Chair of SME4Labour.
2. Frances O’Grady – General Secretary of the Trades Union Congress of the UK.
3. David Prentis – President of Public Services International and formerly Secretary General of Unison.
4. Kuldip Singh Sahota – Labour Councillor for Malinslee & Dawley Bank.
5. Ruth Smeeth – Formerly Member of Parliament for Stoke-on-Trent North.
6. Sharon Taylor OBE – Labour Leader of Stevenage Borough Council.
7. Dr Fiona Twycross – Deputy Mayor of London for Fire and Resilience.
8. Thomas Watson – formerly Deputy Leader of the Labour Party.

## **Nominations from the Leader of the Democratic Unionist Party**

1. Peter Weir – formerly Minister for Education in the Northern Ireland Executive.

## **Nominations for non-affiliated Peerages**

1. Dame Arlene Foster – formerly First Minister of Northern Ireland.
2. Professor Guglielmo Verdirame QC – barrister and Professor of International Law at King’s College London.

## Nominations for Crossbench Peerages

1. Sir Peter Hendy – Chair of Network Rail.
2. Air Chief Marshall Sir Stuart Peach – Prime Minister’s Special Envoy to the Western Balkans and formerly Chief of Defence Staff.

The Prime Minister recommended this list to the King, further to advice from the former Prime Minister, Rt Hon Boris Johnson MP.

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## [Political Honours conferred: October 2022](#)

Press release

The King has been pleased to approve that the honour of Knighthood be conferred upon John Whittingdale OBE MP and James (Jake) Berry MP and that the honour of Knight Commander of the Order of St Michael and St George be conferred upon James Duddridge MP.



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The Prime Minister has recommended these honours to the King, further to advice from the former Prime Minister, Rt Hon Boris Johnson MP.

**Kt**

Rt Hon James Jacob BERRY MP

Member of Parliament for Rossendale and Darwen; Minister without Portfolio

and Chairman of the Conservative Party; former Minister of State for the Northern Powerhouse and Local Growth. For political and public service to the North of England.

## **Kt**

Rt Hon John WHITTINGDALE OBE MP

Member of Parliament for Maldon, former Secretary of State for Culture, Media and Sport. For political and public service.

## **KCMG**

James DUDDRIDGE MP

Member for Rochford and Southend East; Minister of State for International Trade; former Parliamentary Under-Secretary of State for Africa, for DEXEU, Lord Commissioner of HM Treasury, and Parliamentary Private Secretary to the Prime Minister. For political and public service.

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