

# Share Buyback Tax Scheme – why we are doing it and how it would work

Some of the biggest and most profitable companies in the world are listed on the London Stock Exchange, every year they spend tens of billions of pounds doing nothing more than buying back their own shares.

Rather than reward shareholders by paying a dividend, a company can achieve the same result through share buybacks. The stock price goes up; investors receive a premium; and remaining shareholders get a bigger stake in the company.

But share buybacks are controversial.

Every pound spent inflating share prices is a pound that could have been spent to grow our economy and tackle the climate emergency. And at a time when the UK is near the bottom of the table for business investment among major economies, that's a problem.

Take BP for example. Last year, they raked in a massive, unexpected £11 billion, off the back of Putin's illegal invasion of Ukraine. They spent less than £1 billion of that money investing in low carbon energy, and more than £5 billion buying back their own shares – five times more.

In the last two years, share buyback programmes from the 100 biggest firms on the Stock Exchange reached record highs, exceeding 50 billion pounds a year.

That's why the Liberal Democrats are calling for a 4 per cent tax on share buybacks, which would incentivise proper business investment, spur economic growth and raise funds fairly for our public services. At current buyback levels, it would raise £2 billion a year.

**Liberal Democrat Leader Ed Davey said:**

“Neither the Conservative government or Labour Party have explained how they will fund public services fairly after the next election.

“The Liberal Democrats led the way in calling for a windfall tax on oil and gas giants making eye-watering profits from soaring prices. Now we are leading the way again, with a bold call for a new tax on share buybacks that could raise £2bn a year to fund our public services.



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Great to see the Liberal Democrats adopting @IPPR and @Cmmonwealth proposal for a levy on share buybacks, matching the ambition of Joe Biden's plans

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From theguardian.com

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Companies already pay huge fees to intermediaries when they do share buybacks which are often a lot higher than 4%. In 2022 Royal Mail paid double that with an 8.5% fee and still went ahead with its buyback.

The bottom line is that some companies are paying way more to trade their own shares than other investors – including even humble retail punters. Seigne and Osterrieder pick apart Royal Mail's £200 million buyback last year and show how the postal service handed Bank of America Merrill Lynch a fee of £15.7 million – a whopping 8.5 per cent – for a transaction involving almost no risk. After stamp duty, that cut the windfall shareholders received to £184 million. Despite all the

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[www.thetimes.co.uk/article/are-companies-being-ripped-off-by-big-banks-over-share-buybacks-k6dzk08t2](https://www.thetimes.co.uk/article/are-companies-being-ripped-off-by-big-banks-over-share-buybacks-k6dzk08t2)

That is over double what our new policy would levy, showing that companies are more than willing to push ahead with buybacks in order to boost their share price, despite the added cost.

Over the last two decades, there has never been a year where companies didn't do share buybacks. Even in the depths of the financial crisis, listed firms spent billions of pounds buying back their own shares.

And if companies decided to increase dividends instead of doing buybacks, this would lead to higher revenue from dividend tax, which is levied at a top rate of 39.35%.

This bold new policy will incentivise productive investment and promote economic growth while raising additional revenue for our public services.

**Ed Davey said:**

“Large corporations from fossil fuel giants to banks are making huge profits off the back of families facing soaring energy bills, mortgage payments and food prices. It is only fair that we ask these companies to pay more in tax.

“This new levy would not just not just raise much-needed money for public services, it would encourage investment, help create jobs and boost growth including in the green industries of the future.”

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## [Standing Tall: Liberal Values in a Dangerous World](#)

In a world fraught with uncertainty and conflict, with war raging on our continent, the UK needs to take decisive action to uphold peace, security, and democratic principles throughout the world.

Yet, under the current Conservative Government, our once-strong standing on the world stage has sadly diminished.

Our country's reputation has suffered – inward-looking political chaos and disregard for our allies have tarnished our image. The Conservatives have neglected national security, prioritising soundbites and flash announcements over keeping our country safe. The result is low morale amongst service personnel, failing equipment, and an Army which is being cut by 10,000. Our status as an international development superpower has also been lost – thanks to Rishi Sunak's shortsighted and cruel aid cut, which is not in the UK's national interest.

That's why today, Liberal Democrats have laid out a comprehensive plan to restore the UK's diplomatic credibility, promote security, and uphold liberal values on the global stage:

- **Supporting democracies:** We stand with [Ukraine](#), supporting democratic nations in their time of need. We will begin to seize Russian assets to support Ukraine.
- **Investing in development:** Liberal Democrats will return international development spending to 0.7% of national income, restoring our status as a development superpower and saving lives around the world.
- **Defeating people traffickers and providing sanctuary:** Adopting a [fair and humane approach](#) to global refugees and asylum seekers, creating safe and legal routes for sanctuary in the UK and curbing the demand for people smugglers.
- **Supporting our Armed Forces:** Meeting all of our NATO commitments and reversing the cut of 10,000 soldiers from our Army. We are committed to delivering a [fair deal for our armed forces community](#).
- **Cooperating with our neighbours:** Signing a comprehensive security treaty with the EU and collaborating with European and NATO partners on new defence technologies to bolster stability in the region.
- **Tackling Organised Crime and Terrorism:** Properly resourcing the National Crime Agency, working with Europol and Eurojust, and ensuring the independence of the Intelligence and Security Committee from government interference.
- **Promoting Soft Power:** Protecting the BBC and Channel 4, ensuring they remain pillars of our soft power, and properly funding the BBC World Service to reach audiences globally.

[Read our new policy](#)

Liberal Democrats are unwavering in our commitment to liberal values and international cooperation. We believe in a United Kingdom that stands tall on the world stage, promoting peace, security, and democracy.

It's time to reclaim our place as a global leader, grounded in the values of fairness, compassion, and respect for human rights.

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# Boosting Cancer Survival

One in two of us will get cancer in our lifetime and nearly every family has a cancer story: dealing with diagnosis, struggling through treatment, supporting loved ones, losing a loved one, fearing that cancer may come back. And cancer isn't just physical – its impacts can reach into every part of our lives.

At our 2023 Autumn Conference, Ed Davey shared his story.

There is good news: **Twice as many people survive cancer** today compared to the 1970s. More than a million lives have been saved from cancer across the UK since the 1980s thanks to progress made in prevention, diagnosis and treatment. However, there is still huge room for improvement.

**Targets for starting cancer treatment have not been met since 2015.** The current Conservative Government broke its promise to produce a 10 year cancer plan that would have made a real difference to patients. Cancer should be a top priority for any Government but far too many patients have been let down and forgotten.

Last year, **nearly 100,000 patients in England waited longer than the NHS target of 62 days to start cancer treatment.** These failures have an impact – every four-week delay to starting cancer treatment is associated with a 10% decrease in survival. And now the UK ranks one of the lowest globally for five-year survival for the less survivable cancers.

We can and must do better. Cancer **should** be a top priority for any Government. All cancer patients in the UK **should** be confident that they will receive the best treatment for them quickly. The UK **should** be a global leader in cancer research and outcomes

That's why, today, Liberal Democrats have passed new policy with a comprehensive plan aimed at boosting cancer survival rates and improving the quality of life for patients and their families:

- **Two-month cancer treatment guarantee.** A new target for 100% of patients to start treatment for cancer within 62 days from urgent referral, with this right written into law. Currently this is only a government pledge, and 40% of patients wait longer than 62 days.
- **Boost access to radiotherapy.** Replace ageing radiotherapy machines and increase their number, as well as widening access so that no one has to travel too far for treatment.
- **Halve the time for new treatments to reach patients.** It takes an average of 11 months for a new medicine or medical technology to be approved and available to patients in England, compared to just 4 months in Germany. We will expand the MHRA's capacity to speed up that process.

- **Pass a Cancer Survival Research Act.** New legislation modelled on the US law signed by President Obama in 2013. It would require the Government to coordinate and ensure funding for research into the cancers with the lowest survival rates, including lung, liver, brain and pancreatic cancer.
- **Save the National Cancer Research Institute.** The Government is presiding over the closure of the National Cancer Research Institute, which was established in 2001 and plays a vital role in coordinating cancer research, due to uncertainty over research funding. Its closure has been described by one oncology professor as like “turning off air traffic control and hoping the planes will be fine”.

**Improve support for patients and their families.** Recruit more cancer nurses so that every patient has a dedicated specialist supporting them throughout their treatment. Ensure patients and their families are given information about charities, patient support groups and financial support at every key stage: referral, diagnosis and starting treatment.

Read our new policy

Our plan is a commitment to patients and their families, ensuring they have the support and resources needed to navigate the complexities of cancer treatment. By investing in research, improving access to care, and prioritising patient well-being, we aim to transform the landscape of cancer care in the UK.

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## Back Our Cancer Care Plan

Ed Davey has announced a new five-year plan to boost cancer survival rates.

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## [Sport for the People](#)

The Lionesses winning Euro 2022. Sir Andy Murray winning Wimbledon. The London Olympics' Super Saturday.

Great sporting moments bring us together. Millions of people glued to their

TVs, gripping the edge of the sofa.

But increasingly, sport is shut off and hidden from view, only broadcast on pay-to-view channels.

While certain sporting events like the Men's and Women's FIFA World Cups, the Olympics and the Paralympics are protected for free-to-air broadcasting, too many iconic events like the Ashes and the Six Nations are not.

## **Women's sport**

In 2022, the average viewing time per person for women's sports more than doubled and the number of people watching domestic women's sports has grown to 33 million.

More than 17 million of us watched Chloe Kelly's winner in July 2022. And last year, we tuned in again to watch the Lionesses' journey to the final.

But the list of events protected for free-to-air broadcasting is skewed towards men's events. Expanding the list of protected events to include more women's sports increases exposure and breaks down gender barriers.

## **Football**

Football, in particular, holds a special place in the hearts of so many of us. And it remains the most popular sport in the UK.

This season, not a single English Premier League football game will be aired live on free-to-air channels. And it's the same for the lower leagues (though maybe it's for the best I don't get to watch Rovers grind out yet another draw) and the Scottish Premiership.

With matches split between multiple pay-to-view providers, fans are left to fork out £870 a year in subscriptions to Sky Sports, TNT Sports and Amazon Prime Video if they want to see premier league games. That's 50% more than the average season ticket.

## **Giving sport back to the people**

We need to tear down the paywall and give sports back to the country. Greedy broadcasters are ripping off fans and preventing young boys and girls from being inspired to take up the sport.

That's why today, Liberal Democrats have passed new policy to increase the availability of sport on free-to-air TV.

- Review the list of sporting fixtures which must have live coverage made available to free-to-air channels to include:
  - At least 10 Premier League matches and 10 Scottish Premiership matches every season
  - At least 20 games from the English Football League and 10 from the Scottish Championship



- The men's and women's Six Nations
- The Ryder Cup and the Solheim Cup
- The England men's Ashes Test at Lords, and the England women's Ashes fixture at Lords
- At least one cricket test match and one day international per summer
- The entirety of the Wimbledon Championships
- Ensure that the list of women's sporting fixtures made available to free-to-air channels mirrors men's.
- Maintain protections for key national sporting events, such as the Summer and Winter Olympics and Paralympic games.
- Ensure more disability sports are televised.
- Provide councils with support to enhance community sporting facilities.

Read our new policy here

The Government is missing an open goal by failing to protect more of the treasured sporting events which bring people together. Liberal Democrats will give sport back to the people.

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## [Ed Davey's International Women's Day Message 2024](#)

Today marks International Women's Day—a moment to honour women's achievements, acknowledge their invaluable contributions, and reflect on the journey towards gender equality that still lies ahead.

Over the years, the Liberal Democrats have been at the forefront of delivering that progress.

Of course, having women at the table is a key part in delivering that. I'm proud that for the first time ever heading into a general election, women constitute the majority of our party in the House of Commons. This landmark achievement is a testament to the unwavering efforts of our campaign for gender balance.

As we celebrate International Women's Day, we honour the extraordinary women

who have led us to this point, those who continue to fight for equality, and those who will drive us forward.

Reflecting this year's theme of Investing in Women, I'm particularly thrilled with the steps our party has taken this year to address the economic barriers that disproportionately affect women. From our campaign to end period poverty across the UK, to our revolutionary new parental leave policy.

I'd like to also recognise the crucial work of Wendy Chamberlain, Liberal Democrat MP for North East Fife. Her Carer's Leave Bill, set to become law, grants 2.4 million unpaid carers, predominantly women, the right to five days of unpaid leave annually. It will profoundly impact carers' lives, allowing them more time to manage their caregiving responsibilities without the added stress of work commitments. These are the types of initiatives that we will always push for, changes that prioritise people and their needs in a way that truly makes a difference.

While we celebrate our achievements as a party, we recognise that the journey towards full equality continues, demanding our relentless dedication and continued efforts going forward.

Our commitment to gender equality is a key part of what makes us Liberal Democrats. Fundamentally, we are driven by the belief that a fairer society benefits everyone. We are passionate about shaping a future free from discrimination and inequality. It is this passion that will take us further in the years to come.

For more on our work to support women, [read remarks from Christine Jardine](#)

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