

Vodafone tax dispute will not deter British investment into India: Danny Alexander

UK's chief secretary to the treasury, said that the [Vodafone tax](#) dispute has not deterred British investments into India. In an interview with **Nayanima Basu**, he also said British government is encouraging more such MNCs to work here and that a final decision on [immigration](#) bonds will be taken in a couple of months. Excerpts:

What discussion did you have with finance minister P Chidambaram on the Vodafone tax dispute?

We cannot comment on a particular company. Indian government will do what it has to do on its taxation system.

Well, the Vodafone tax dispute has become quite a sticking point in bilateral ties. Will this particular case deter future investments into India by British firms?

It seems the company is here to stay as it just announced major expansion plans. The Vodafone dispute has not and will not deter British investments into India. British government is encouraging more such multinational corporations and SMEs to invest here. During my visit here I met British banks and they all plan to expand here and work with Indian banks together in other countries.

Government has taken a number of measures to reform the taxation system. What is the view of the British government on some of these steps such as General Anti-Avoidance Rules (GAAR)?

We are happy to see that India is taking adequate measures on preventing tax evasion and abiding by the G20 commitments to reform its taxation system. Every business coming here from other countries has to understand the atmosphere of taxation of the country where it wants to set up its business.

The recent announcement made by British government on immigration bonds have created quite a disturbance here and there seems to be lack of clarity as to which category will be targeted. When is a formal announcement on this regard expected?

It is still being debated and discussed. The main aim of this is to stop abuse of visa done by a minority. We are going to take a final decision on this issue within the next couple of months.

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