



## HOUSE OF COMMONS

LONDON SW1A 0AA

Boris Johnson  
Mayor of London  
City Hall  
The Queen's Walk  
London  
SE1 2AA

1<sup>st</sup> August 2014

Dear Boris,

As a London MP with many constituents who make their livings as taxi and private hire car drivers, I have been following the growing controversy over new entrants to the London market.

London taxi and private hire drivers are used to competition; they have been competing against one another for many years, and there are over three thousand private hire operators in the Greater London area. However it has been put to me that new entrants to the market, such as Uber, are competing unfairly by allegedly failing to comply with many of the regulations laid down in law.

I am particularly concerned about the tax structure that Uber and others have apparently constructed, and the impact this has both on the public purse and on the livelihoods of London cabbies and private hire drivers.

I understand that Uber customers are required to use an app which is operated via a Dutch entity called Uber B.V. The app makes the booking, takes the payment and issues the receipt. Operating in this way, as you will be aware, enables Uber to pay corporation tax in the Netherlands and not in the UK.

This structure allows these new entrants to unfairly undercut London operators by opting out of the UK tax regime. TfL allows this to happen, by failing to apply the appropriate regulations to Uber. Under the Private Hire Vehicles (London) Act 1998 making provision for the invitation or acceptance of minicab bookings requires a licence from TfL – yet TfL have decided to permit Uber B.V. to operate without a licence. If TfL were to insist that Uber and similar operators act through a London-licensed base, not only would they then be within the regulations as set down, but these companies would also be obliged to pay tax under the UK regime.

Surely TfL has a duty to enforce legislation that will ensure a fair and level playing field for all taxi and private hire operators? I would be grateful if you could set out the steps you will take to ensure that TfL does not inadvertently allow tax avoidance in London and that all taxi and private hire drivers receive a fair deal.

Yours sincerely

Rt Hon Margaret Hodge MP