

From: [REDACTED]@osborneclarke.com 
Subject: Nadhim Zahawi - Confidential and Without Prejudice
Date: 16 July 2022 at 18:53
To: dan@taxpolicy.org.uk
Cc: [REDACTED]@osborneclarke.com

Confidential & Without Prejudice

Dear Dan,

We act for Nadhim Zahawi. We have been following your blog in relation to our client's tax affairs and have serious concerns about your latest direct allegation of dishonesty against our client in relation to our client's explanation of his father's interest in YouGov through Balshore Investments.

Our client recognises that, as Chancellor and an MP, he is accountable to the public and it is right that he be asked questions relating to the use of offshore companies. He also recognises that you are absolutely entitled to raise the questions that you have done about his tax affairs, especially given your expert status. Until today, you have mainly done so in a balanced and fair way, even if our client does not agree with some of your allegations and assumptions.

However, our client considers that you overstepped the mark today by accusing him of lying to the media and the public in explaining the contribution of his father to YouGov.

Your allegation is made in relation to our client's explanation of the original shareholding of Balshore Investments in YouGov. You have relied on comments attributed to YouGov by The Times today to support your view that our client was lying about the extent of involvement of our client's father in the very early days of YouGov when it was set up in 2000.

If your view is that our client's father did not add sufficient value to YouGov to justify being granted founder shares in YouGov, such a view must surely be based on a reasonable factual understanding of what was happening back in 2000.

You clearly have very little knowledge of how YouGov came into being. In fact, there are very few people who would remember the very significant contribution made by our client's father in setting up YouGov at the very beginning and developing its business plan with our client and the other founders. They also would not know about the financial and other support that our client's father provided to our client at a time when our client had just given up a full time job to focus on the project. Without this support, our client would not have been able to pursue this venture.

You will note that Peter Kellner (one of the founders) and Joe Twyman (one of the very first employees) have publicly noted their recollection of the early involvement of our client's father, which contradicts your interpretation of what YouGov said in its corporate statement. This should at least sound a note of caution that you are not in possession of all the facts.

You have also omitted to reference that our client's father did pay £7,000 for his second tranche of shares. We acknowledge that this may have been discounted but our client was not lying when he said that his father made a capital contribution to YouGov.

You certainly do not have the requisite factual knowledge to say with certainty why our client's father decided to accept the YouGov shares through his existing investment company Balshore Investments. You can only speculate. Any allegation that our client has evaded or avoided tax is strongly rejected.

I have marked this email without prejudice because it is a confidential and genuine attempt to resolve a dispute with you before further damage is caused. Our client wants to give you the opportunity to retract your allegation of lies in relation to our client. That would not of course stop you from raising questions based on facts as you see them.

You have said that you will "not accept" without prejudice correspondence. It is up to you whether you respond to this email but you are not entitled to publish it or refer to it other than for the purposes of seeking legal advice. That would be a serious matter as you know. We recommend that you seek advice from libel lawyer if you have not done already.

Should you not retract your allegation of lies today, we will write to you more fully on an open basis on Monday.

In the meantime, our client reserves all of his rights, including to object to other false allegations that you have made.

I am available to discuss if you change your mind on a having a phone call. That could well save time and expense on both sides.

Yours sincerely

[REDACTED]

07 [REDACTED]

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