



Mr. Clive Betts MP,
Chairman
Housing, Communities and Local Government Committee

7 January 2019

Dear Mr Betts,

Thank you for the opportunity to appear before the committee. You asked for further information on several points which I am happy to provide.

Amazon breaks out its total revenue for the UK in its SEC10-K report. For 2017 this figure was \$11,372m (£8.77b). This figure includes Amazon's net sales through our UK website and aggregate revenues from other activities in the UK (such as fees charged to third party seller for listing and fulfilment) before expenses. The taxes relating to these activities are paid either in the UK or other countries. Given that total retail sales for the UK were £395b (House of Commons Library [briefing no SNo6186](#), 29 October 2018) this would suggest that Amazon's share of total UK retail sales represents no more than 2.2%. (For comparative purposes Tesco reported UK revenue of £44.9b which would amount to a share of 11.4 %.)

We pay business rates on some 94 buildings and on our locker sites across the country. For 2018 year to date this amounts to £63.4m.

Our employer national insurance contributions in respect of (circa 24,000) employees in the UK at the end of 2017 were £79.7m in 2017 as reported in our accounts filed with Companies House.

The main company on which we report in the UK is Amazon UK Services Ltd which provides services including delivery, fulfilment, marketing and website support services in the UK to various other Amazon companies, including Amazon EU Sarl. These services are predominantly in respect of sales made through the UK website, reported to HMRC as part of Amazon EU Sarl's UK branch. Amazon UK Services Ltd had revenues for 2017 of £1.98bn and profits before tax of £72m on which its current tax charge for the period was £4.7m. The total corporation tax charge for 2017 in respect of Amazon companies based in the UK was £23.5m excluding taxes paid in respect of Amazon EU Sarl UK branch. It should be noted that we increased UK headcount in the year by approximately 5,000 and opened four fulfilment centres, in Daventry, Doncaster, Tilbury and Warrington, a new tech development centre in Cambridge and our new UK head office in Shoreditch, which contributed to the effect on profits in the year. In addition to these large investments, the corporate tax liability in the year was reduced by the requirement to include at vesting price the value of share awards made to employees, which was particularly significant in 2017 due to the growth in share price over the period. These share price gains benefitted all groups of employees including thousands in fulfillment centres, with the government receiving income tax and national insurance contribution payments on these.

I would like also to correct the figure in my answer to Q 413 to Ms Hayes. I inadvertently rounded Amazon's investment in the UK since 2010 to £9.5billion where the correct number should be £9.3b.

I hope this information is helpful to the committee.

Yours sincerely

Lesley Smith

[Redacted contact information]