

Zahawi not planning to resign over tax as Sunak comes under pressure

N [Nadhim Zahawi](#) is not planning to resign as [Conservative Party](#) chairman despite paying a penalty to resolve a tax dispute with [HMRC](#).

Allies said on Monday that the former chancellor “absolutely” will not be quitting in the face of growing pressure over his settlement, estimated to be around £5 million.

[Rishi Sunak](#) has been urged by Labour to sack Mr Zahawi, whom he brought back into a Cabinet-attending role after entering No 10.

The [Prime Minister](#) faces questions about the appointment as his promise of a premiership of “integrity” was thrown into disarray by a series of scandals.

A source close to Mr Zahawi did not answer questions on the penalty but said: “He is absolutely not resigning.”

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Mr Zahawi has insisted his “error” over shares in the YouGov polling company he co-founded was “careless and not deliberate” .

The BBC was told that Mr Zahawi did pay a penalty – reported by the Guardian to be around 30% – taking the total estimated settlement to around £4.8 million.

The broadcaster confirmed the dispute was resolved while Mr Zahawi was chancellor, between July and September, and ultimately the minister in charge of HMRC.

The Tory chairman said “morning” to the waiting reporters and cameras as he arrived at Conservative Campaign Headquarters (CCHQ) on Monday, but gave no comment on his financial affairs or position.

Labour has called for Mr Zahawi to be sacked and for Mr Sunak to “come clean” on what he knew about the minister’s tax affairs when he appointed him party chairman.

Former Downing Street communications chief Sir Craig Oliver said Mr Zahawi is “hanging on by a thread”.

“I think he’s in serious trouble, you cannot be Conservative Party chairman and not go out and face the media,” he told BBC Radio 4’s Today programme.

“The problem for Nadhim Zahawi at the moment is it doesn’t all add up. Why did you take the job as chancellor when you were clearly in dispute with the HMRC and he is yet to come out with an answer that is satisfying or feels comfortable on that point.”

A challenging weekend for Mr Sunak began when police fined him for failing to wear a seatbelt as he filmed a social media clip from the back of a moving car.

The Sunday Times then reported that BBC chairman Richard Sharp

helped Boris Johnson secure a loan weeks before recommending him for the role.

Mr Zahawi sought to end questions about his tax affairs by releasing a statement saying questions were raised about his tax affairs when he was being appointed chancellor.

“Following discussions with HMRC, they agreed that my father was entitled to founder shares in YouGov, though they disagreed about the exact allocation,” he said.

“They concluded that this was a ‘careless and not deliberate’ error.

“So that I could focus on my life as a public servant, I chose to settle the matter and pay what they said was due, which was the right thing to do.”

Mr Johnson was prime minister when he appointed Mr Zahawi chancellor and the shadow of his leadership continues to raise challenges for Mr Sunak.

The Sunday Times reported that Mr Sharp helped secure Mr Johnson an £800,000 loan weeks before the then-prime minister recommended him for the role.

Labour is demanding an investigation into the appointment of Mr Sharp, a Tory donor.

Mr Sharp told the Sunday Times he had “simply connected” people and there was no conflict of interest.

Mr Johnson’s spokesman dismissed the report as “rubbish” and insisted his financial arrangements “have been properly declared”.