

# Criminal Law News

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# **The United States of America: Clinton, Rahm Emanuel, Illinois ex-governor Blagojevich, the Saving and Loans fiasco, Fannie Mae, bribery, corruption, breaches of election laws: the past will always catch up with us**

**Sally Ramage**

## **Reports**

Former Illinois Governor Blagojevich has written a 264 page book, titled, *The Governor*, which includes tales such as those about the present White House chief of staff Rahm Emanuel. He tells of machinations for the Chicago Congressional seat. Blagojevich is awaiting trial on corruption charges. He related how Emanuel wanted to return to the House after two years in the Obama administration to continue his quest to become speaker of the House one requires that a special election be conducted when a U.S. House seat becomes vacant before the end of a term. This is a different rule to that under which a vacancy in the Senate may be filled. In the latter case, the governor may make such an appointment. Blagojevich was arrested in December 2008 on charges of bribery for an appointment to the U.S. Senate seat vacated by Barack Obama when he was elected president. Blagojevich was thereafter impeached and removed from office.

In his book, Blagojevich relates how he had told Emanuel that it was his understanding that he only had the power to set the date of a special election, not make an appointment.

# **The changing face of the UK transfer pricing legislation combats the manipulation of the arm's length rule**

**Sally Ramage**

## **UK transfer pricing**

The trial of the case *Lankhorst- Hoyer GmbH v Finanzamt Steinfurt* revealed that the UK Transfer Pricing Rules, in force since 1951, were illegal and in breach of the European Treaty. The government quickly changed the law to read that from 1 April, 2004, UK to UK business transactions were no longer exempt from tax on the difference in prices except for transactions between small<sup>1</sup> and medium sized

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companies. If a branch of a company incurs a loss on its Profit and Loss Account for £1000, it cannot carry forward this loss to another UK branch. It must restrict only carry forward losses made in the UK to other branches of the same company only.

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