



### children's charities' coalition on internet safety

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I am aware that there are a range of tax incentive schemes which are designed to encourage businesses to invest in developing new products or businesses across a broad range of industrial sectors.

Could you tell me if there is an existing scheme which might provide incentives to companies to invest in developing new products which are designed to help keep children safe when they go on the internet? Is there also a scheme which would provide an incentive to companies to take other steps which are designed to reduce or minimise the impact of online crimes which impact on children? If not, would you be willing to consider establishing such schemes?

In the latter case, for example, you will know that BT recently developed a system which allows them to block access to all known child pornography web sites. All of these sites are, of course, illegal, but there is no law which compels Internet Service Providers (ISPs) to take active steps to block access to them. BT decided to do so because they thought it was the right thing to do and they deserve enormous credit for that. Even more importantly, BT then decided to provide the technical details of how they implemented their scheme to any other ISP, at no cost.

Because BT's technical architecture is not the same as every other ISP's their generous offer is of little practical value to some ISPs, although for others it has saved or will save them substantial amounts of time and money. I am confident that all of the major UK-based ISPs will follow BT's lead, and indeed a good many have already done so. The Home Office is in touch with all the large ISPs and is closely monitoring progress.

However there remains a residual group of generally smaller ISPs, and these may cover 10% or more of all the UK's internet users. For some of these smaller ISPs the costs associated with implementing a BT-type solution is still said to be prohibitive. Even if having BT's technical details saves you time and money in terms of development costs, there is one further unavoidable cost and another contingent cost.

The unavoidable cost is the annual subscription to the Internet Watch Foundation. This is £5000 and, inter alia, it provides you with access to their list of illegal sites. The contingent cost relates to the expense of installing any new boxes to make the system work. It is understood that BT spent upwards of £300,000 on their new boxes when they first implemented their scheme. For smaller ISPs the cost could fall to less than £2000. Even so, for companies working on small profit margins and low turnovers these combined sums are said to be significant, which is why we are keen to look for ways of helping them. It occurred to me that the tax system might provide such a way.

Thank you for your attention and I would be very grateful for your comments.