

Lib Dems go for GAAR

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I shared a platform with [Vincent Cable](#), the UK Liberal Democrats shadow chancellor earlier this year. Richard Teather, the Adam Smith Institutes' main proponent of flat taxes in the UK was also on the platform with us. It's not that long ago that the Lib Dems flirted with the flat tax idea, and I know they consulted Richard. I admit, they also spoke to John Christensen and me for the Tax Justice Network. And I take a little pleasure from the fact that the [Lib Dems](#) appear to have resoundingly rejected the flat tax idea, but have endorsed the idea of a General Anti-Avoidance Rule (and maybe even a General Anti-Avoidance Principle) as part of their new tax package.

Now I won't get too excited. The Lib Dems have as much chance of forming the next UK government as I do, and I have no intention of standing. But with over 60 MPs they are a force to be considered these days, and they do influence policy, not least because at least some of their people are good and work hard in arguing their cause in Parliament. Their adoption of a GAAR on the reasonable grounds that this is the only way to simplify the tax system whilst constraining the abuse caused by tax practitioners is, therefore, a very welcome endorsement for a position argued by few in the UK bar me, the Tax Justice Network and Prof Judith Freedman at Oxford. I'd seriously hope they have been talking to Judith, by the way. She has the expertise and insight to make this work.