

A race to the bottom is not the answer

Published: January 15, 2026, 7:29 pm

The Chief Executive of the London Stock Exchange, Clara Furse, has had a rant about taxation. According to [Accountancy Age](#) she said:

We (public companies) are double taxed on both dividends and stamp duty. They [private equity] are using debt on which they can write off the tax. There is an unintended policy distortion that the Treasury needs to think deeply about. It suppresses value and there is a massive tax distortion.

And according to [The Times](#) she said of stamp duty:

it must now be a question of when, and not if, this tax is scrapped

As the [Guardian](#) noted, her confidence may be misplaced:

The Treasury seemed less convinced. "Whilst we keep all taxes under review any proposal to abolish stamp duty on shares would require offsetting increases of £3.7bn in taxes elsewhere, equivalent to more than a penny on income tax, or equivalent cuts in public expenditure," a spokesman said.

I think they're right. As the Times notes:

The City is convinced that stamp duty is a significant drag on the London market's performance.

But, respectfully, I think some do protest too much. The LSE's profits rose 73% to £161 million on the back of record volumes of trading, up an absurd 58% - much of which must be at cost to ordinary pension holders. So what's the problem?

Well, it's [this](#):

Ms Furse suggested that stamp duty may also suppress the value of companies listed on the exchange

The stock market being at near record (and obviously overvalued) levels is not enough for those who live, parasitically, off the back of this trade. So they are saying let's cut tax to give those with wealth even more.

The real answer is, of course, to make sure private equity is put on a level playing field. That would involve restrictions on tax relief on interest. I can hear Clara Furse protesting already.