

Another go at a General Anti-Avoidance Principle

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This amendment to the [Finance Bill](#) has been tabled for discussion this week by the Lib Dems:

“(1) If, when determining the liability of a person to taxation, duty or similar charge due under statute in the United Kingdom it shall be established that a step or steps have been included in a transaction giving rise to that liability or to any claim for an allowance, deduction or relief, with such steps have been included for the sole, principal, main or explicit purpose of securing a reduction in that liability to taxation, duty or similar charge with no other material economic purpose for the inclusion of such a step being capable of demonstration by the taxpayer then subject to the sole exception that the step or steps in question are specifically permitted under the term of any legislation promoted for the specific purpose of permitting such use, such step or steps shall be ignored when calculating the resulting liability to taxation, duty or similar charge.

(2) In the interpretation of this provision a construction that would promote the purpose or object underlying the provision shall be preferred to a construction that would not promote that purpose or object.’

There is an uncanny likeness to one I [noted here](#).

As is apparent, I am author of both amendments.

We need them very badly, for reasons I note [here](#) and [here](#).

Why won't the Treasury do this?