

## When is a tax illegal?

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Well, when it's ruled so by a relevant body.

The [EU did that to the UK yesterday](#). Mark Lee offers a [thoughtful analysis here](#).

So, the UK has made a mistake. And it could cost £20bn — a 10% increase in the deficit — 20% of the cost of the NHS for a year.

To enrich banks.

I think some counter-measure is needed in the public interest. And I know the libertarians will scream and shout. And my answer is that the EU also has a concept of ‘unjust enrichment’. I think that should apply here.

For more than 20 years stamp duty reserve tax has been paid: few objected — and why should they when the charge is eminently reasonable? But HSBC has now. And the UK government has been found to have made an error.

At the very least a time limit for past claims has to be imposed. I really can't see a significant tax increase to pay tax refunds to banks is going to go down well with any politician right now.

But let's also go the heart of this: the EU dedication to the free movement of capital is at fault here. Why should there be that right when people do not share it, universally?