

## You can run - but there's no guarantee

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[FT.com / UK / Business - Corporate exiles face years of tax scrutiny.](#)

I've been saying for a while I thought HMRC would issue robust challenge to those companies who said they had left the UK. Now it is confirmed:

*UK companies seeking to minimise tax bills by locating abroad would face years of scrutiny to ensure senior management decisions have genuinely relocated, a senior official at HM Revenue & Customs has said.*

*Firing a warning shot across the bows of companies thinking of emigrating, Dave Hartnett, permanent secretary for tax at HMRC, told the Financial Times he was not convinced that relocations could be done in a "clean way" and warned that a challenge could come years after the move.*

IFRS 8 is a good reason why - it shatters forever the myth of board meeting control inherent in these artificial looking relocations. I actually also think it shatters forever the idea that there is foreign control of a subsidiary. If the Chief Decision Maker allocates resources in a multinational corporation (and that is usually the CEO, but never, I suspect, the Board) then control is centralised as is tax residence - and try and prove otherwise when accounting rules confirm this to be the case.

If the CEO moves (as per HSBC) there's a claim to have left. If not - you're in deep, deep trouble. And rightly so. Good for HMRC, I say.