HMRC needs 5,000 more accountants

Published: January 15, 2026, 7:25 am

A commentator on the blog this morning said, in response to a piece on country-by-country reporting:

Could you outline how you expect the information to be used? As an auditor of SME international groups I am sick of the amount of disclosure that we have to deal with under International Financial Reporting Standards.

Answer: we only expect this to apply to quotes companies. That's not to say there is no abuse elsewhere — there is. But right now we have to pick the prime targets where the yield will be greatest and the benefit to society at alge highest, and that fundamentally means quoted companies.

The commentator continued, perhaps more tellingly, so say:

As you doubtless know, some jurisdictions such as the USA already require filing of monitoring returns for overseas subs anyway.

The sad reality is that HMRC do not have the staff to read and digest the reporting, and enquire where appropriate. If you want to tackle transfer pricing abuse, I believe we need a new cohort of chartered accountants (perhaps 5,000) trained by HMRC, untainted by the big 4, ready to pick groups apart within weeks of filing their tax returns. That would be a real investment in closing the tax gap. Nothing less will work.

Yes, yes, yes, is my response.

But have no doubt about it: country-by-country reporting would, if available, be the most amazing risk assessment tool to allow those accountants (whose contribution to HMRC would massively outweigh their cost) to decide which were the best cases to pick for investigation.

That's one of country-by-country reporting's many benefits.