

The 10 Cs of an efficient tax system

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An efficient taxation system has nine attributes with one over-riding characteristic to which they all contribute.

An efficient tax system is:

1. Comprehensive — in other words, it is broad based;
2. Complete — with as few loopholes as possible;
3. Compensable — it is as certain as is reasonably possible;
4. Compassionate — it takes into account the capacity to pay;
5. Compact — it is written as straightforwardly as possible;
6. Compliant with human rights;
7. Compensatory — it is perceived as fair and redistributes income and wealth as necessary to achieve this aim;
8. Complementary to social objectives;
9. Computable — the liability can be calculated with reasonable accuracy;

All of which facilitate the chance that it will be:

10. Competently managed.

In combination these are key attributes of a good tax system.