

If you want to know why the UK's going to be a happy hu...

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Economia is the new magazine of the Institute of Chartered Accountants in England and Wales. I'm not overwhelmed with it, but it's better than its predecessor. And sometime it comes up with an OK article. There was one on corporation tax and why over the last three years the UK's created a system so riddled with holes the chance of recovering tax from multinational corporations will soon become nigh on impossible. [published yesterday. It started like this:](#)

A quiet revolution has been taking place in Britain's corporate tax system. While tweaks to personal tax capture newspaper headlines, the entire basis on which British-based multinationals contribute to government coffers has been overhauled

Instead of trying to grab revenue from a firm's global profits, the new code aims to take a slice only of money generated at home. The goal was to entice back international firms which had fled the country to nations with friendlier tax systems.

The final stage of this momentous transition will be completed in July, with changes to the controlled foreign companies regime. This system was originally set up in the 1980s to stop companies from avoiding British tax by siphoning profits to lower tax nations.

Most experts agree that this system had become too complicated and onerous - adding to the incentive to flee British shores. Yet many, like Michael Devereux, director of the Oxford University Centre for Business Taxation, fear the new rules will make it too easy for companies to avoid tax at home.

Extraordinarily, Mike Devereux and I seem to be, at least in part, on the same side on this.

For those wanting to know just how bad the UK's corporate tax system has got reading the rest of this is a good place to start.