

Five-point plan to curb tax cheating by big firms and s...

Published: January 15, 2026, 11:49 pm

Some MPs get precisely what is required to beat tax cheats. [This letter was in the Guardian this morning](#):

Tax cheating by Jimmy Carr, Gary Barlow and Chris Hoy must not become just a media game of celebrity baiting. The real issue is that last year, according to HMRC, £42bn was lost through tax avoidance and evasion by multinational corporations and super-rich individuals, equal to one-third of Britain's entire current budget deficit. The government then recoups the lost tax receipts by cutting benefits (£18bn) and public spending (£81bn).

This is therefore a gigantic swindle redistributing money from poor to rich.

Any government that thought abusive tax avoidance on this scale was "morally repugnant" should now do five things.

It should pass a general anti-avoidance principle bill that allows HMRC to declare null and void any scheme whose primary purpose was an artificial contrivance to avoid tax rather than any genuine economic purpose. My own private members' bill before the Commons aims to do just that.

Second, the government should seek a new international financial standard which requires mandatory country-by-country reporting by transnational companies to block the colossal loophole they use of transfer mispricing.

Third, the EU's savings tax directive, which the UK government has repeatedly tried to water down, should be strengthened to include offshore trusts, a favourite tool of the tax-cheating industry.

Fourth, Britain's non-domicile rule should be abolished. It has attracted many dubious characters to this country whose contribution to the real economy is zilch, and likely negative since they typically invest in property which inflates prices and shuts out first-time buyers.

Finally, Britain's tax havens should be closed down. The UK's crown colonies hold \$7tn of US bank deposits and hundreds of billions of sterling deposits, dodging some £30bn in tax. Unless they provide full and automatic information on all such funds which can then be taxed, any transactions with such tax havens should be declared illegal.

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Thanks Michael!