

Michael Meacher tables bill to tackle tax avoidance in ...

Published: January 13, 2026, 1:32 am

I shamelessly quote the following [from the blog of Michael Meacher MP](#), with whom I have been pleased to work on occasion:

Today I am introducing a Private Member's Bill into the Commons (having won a place in the Private Members' Bill lottery) which will outlaw any financial transaction for which the primary purpose is tax avoidance/evasion rather than any genuine economic purpose. It will transfer the burden of proof, from HMRC having to prove that a transaction was really a disguised tax avoidance device, to a company having to prove that it had a genuine purpose. If HMRC believed for good reasons that it was really for tax avoidance purposes, they could declare that the transaction was null and void and it would be for the company, if they so chose, to challenge that decision in court. As it happens, on this very day a new tax avoidance scheme has just surfaced which would be a perfect example for the application of my Bill.

The scheme called K2 was highlighted in a Times investigation which alleged that it was being used by the comedian Jimmy Carr, along with some other 1,100 tax avoiders. The essence of the scheme is that it enables UK earners to 'quit' their job and sign new employment contracts with offshore shell companies. These companies then 'rehire' their new employee to the UK, but take their earnings. The offshore company then pays the employee a much lower salary, but 'loans' them several thousand pounds a month. But these loans can be written down as tax liabilities, thus substantially reducing tax payable to the Government.

Significantly, the accountant who thought up this wheeze, Roy Lyness of Peak Performance, has said he thinks it would take tax inspectors years before they could set in place a rule to block the scheme. My Bill is designed precisely to avoid that delay, with all the millions lost to the Exchequer in the meantime, and to avoid all the expenditure of staff time and effort for the HMRC (at taxpayers' expense of course) in order to strike out a device which should never have been set up in the first place.

My Bill will also have the important corollary that not only would the tax avoidance device be declared null and void at the outset, but the accountant and lawyer

originators would be liable for prosecution for seeking to pervert the will of Parliament, and if prosecuted and found guilty, would be subject to a deterrent penalty to discourage any similar repeat offence.

I [worked on Michael's last submission to the House on this issue.](#)

I admit we have spoken on this one.

It is time for appropriate measures to tackle tax abuse to be adopted - and as such I warmly welcome Michael's move and wish it the best of success. I'd also hope it gets proper backing from all parties.