Business is accepting the idea they have to say a lot m...

Published: January 13, 2026, 6:54 pm

The FT has what I consider to be an important article this morning. For the first time that I recall it records a Big 4 firm of accountants saying the time has come for radical change in the disclosure of what companies report for tax purposes. The article says:

Big companies are set to divulge more details of their tax affairs as they try to fend off pressure over aggressive tax planning from MPs, investors and the media, according to a leading firm of advisers. KPMG, the professional services firm, said there had been a "sea change in mood" towards tax disclosures after intense public criticism of the low corporate tax payments of some multinationals. Jane McCormick, head of tax, said: "There is a feeling of inevitability about a move to greater transparency".

Having campaigned for such transparency for a decade I, hardly surprisingly, welcome this. The devil is, however, always in the detail and the ability of these companies to try to fob people off is enormous. The whole CSR agenda has been one largely wasteful exercise in doing so. Intent is, therefore, important. The FT notes:
More information could lead to a better understanding of the tax system, which might defuse anger in cases where low rates were not a result of aggressive tax plans, according to KPMG.

That sounds good. The follow up does not:

"The risk is that, without this transparency, the current debate may turn into a witch-hunt, deterring businesses from investing in the UK," Ms McCormick said. Ms McCormick said the risk of being "hauled in front of the PAC" was under discussion with potential inward investors.

That's complete nonsense: the demand for tax transparency is, if anything, being lead in Europe. This is not just a UK issue, so that is a complete red herring. And the reality of what KPMG is about becomes clear in the next comment:

Giving out more tax information could defuse pressure for disclosure laws, she said. Most companies surveyed were opposed to the idea of legislation requiring detailed tax *disclosures.*

So, that's back to the nonsense of CSR again. Thankfully, some companies realise that is not the way to go:

But one in four companies said EU proposals requiring extractive industries to disclose details of tax payments should be broadened to other businesses.

This is, of course, country-by-country reporting, the accounting concept I created ten years ago. It is the only way to go. KPMG does not agree as yet, saying it expects tax reports to become a feature of annual reports, in the same way as corporate social responsibility statements have become the norm. I welcome the idea of such reports. But without statutory backing they would be meaningless. They would also ignore critical issues such as profit shifting in intra-group trade, the use of tax havens and intra-group financing that are really used to manipulate profit reporting. Country-by-country reporting addresses all those issues. That's why we need full country-by-country reporting.

But there is something I can agree about with Ms McCormick. She said:

"Some people are already doing it. Others are preparing to do it. Others are still thinking about it. It is definitely a trend."

I think it's more than that. It's going to happen.