

Country-by-country reporting is essential if we are to ...

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Day by day we are now hearing of corporations trying to hide their profits in tax havens.

Day after day we learn of the structuring of deals so that transactions that take place here in the UK are recorded in Luxembourg, Ireland or Switzerland.

And day after day we see the impact of that on real lives here in the UK, where people are literally suffering as a result through the loss of services.

And all of this is a revelation.

It's my suggestion that the revelation should end. It would if we had [country-by-country reporting](#). That is the accounting system I designed nearly a decade ago that would demand any and every multinational corporation must include in its accounts a profit and loss account for each and every jurisdiction in which it trades and that the profit and loss account must show in addition to the trades with third parties the trades undertaken with companies that are part of the group in other jurisdictions and that it must also show if there was a significant difference between the trades recorded in a location if a source or destination basis was used.

The latter is a point rarely picked up on but which is vital. A source basis is where the bill is from e.g. in the case of Google Ireland the source bill is in that country but the destination rarely is: the destination is the UK, France, Germany and so on. Under country-by-country reporting both would have to be revealed if they were more than 10% different.

If we had country-by-country reporting we would know who was cheating and who was hiding money and where.

It's an idea whose time has come. There are more details [here](#) and [here](#) (this one being chapter and verse).