

What David Cameron has to do to tackle corporate tax av...

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I have [just noted what David Cameron had to say yesterday](#) on tax avoidance by multinational companies.

I'm delighted he has said he will tackle this issue, and on the scale that he has indicated. But let's be clear what precisely he has to do to achieve his stated goals. At a minimum:

- 1) He has to abandon his [government's policy of territorial taxation](#) since this is a tax avoider's licence to abuse this country
- 2) He has to invest heavily in HMRC to give it the resources it needs to really tackle tax avoidance and tax evasion
- 3) He has to change the law and OECD tax treaty standards on company residence and change all UK double tax treaties to comply
- 4) He has to change the OECD standard on permanent establishment and change all UK double tax treaties to comply
- 5) He has to [move to unitary taxation](#)
- 6) He has to persuade the OECD to abandon arm's length transfer pricing
- 7) The EU has to change many tax directives and potentially allow tax withholding at source on inter-EU payments
- 8) He has to re-establish the controlled foreign company rules he has just been dismantling
- 9) He requires a proper [General Anti-Tax Avoidance Principle Bill](#)
- 10) He needs to tackle the UK's tax havens as the starting point of a demand for global transparency, automatic information exchange and proper recording of

the beneficial ownership of companies

- 11) He needs to ensure companies are properly regulated in the UK, [which is far from the case now](#), if he is to get any more than 34% of UK companies to pay corporation tax, which is the number that do so now
- 12) He will, of course, need to adopt country-by-country reporting
- 13) He needs to re-appraise the tax gap and the way HMRC measure it - which currently excludes all the tax avoidance he finds so repugnant
- 14) He needs to get some proper advice from people outside the FTSE 100 and the 100 Group of Finance directors funded Oxford Centre for Business Taxation on just what an appropriate tax policy for the UK might be
- 15) He has to replace those people who are heading H M Revenue & Customs [who have had ties with tax avoidance](#) and whose influence may explain [HMRC's lax attitude to the issue](#).

Now all those are possible. But he's got to embrace them.

Does anyone think that likely?

I hope it is. But if he fails then he is responsible for the failure to do so. And the resulting tax avoidance, because he's now set the yardstick for measurement, and this is what he does to do to achieve it.