

HMRC do an offshore tax prosecution - and it's another ...

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The [FT reports this morning](#):

Two businessmen were jailed on Wednesday after pleading guilty to lying about cash they hid outside the UK, in the first prosecution tied to an amnesty to allow voluntary disclosure of unpaid tax on offshore bank accounts or assets.

Roderick Smith and Stephen Howarth , who ran Goldlogic Control Systems, a Manchester-based computer technology company, evaded about £500,000 in income tax over a six-year period. Smith had voluntarily disclosed only one of 12 offshore accounts he controlled.

As they also note:

The investigators found the balance was “siphoned off into the offshore accounts of five shell companies registered in Mauritius and the Isle of Man that were created by the directors solely for the purpose of tax fraud”.

Smith’s initial disclosure was prompted by the Offshore Disclosure Facility campaign in 2007, which included a 10 per cent tax penalty.

The tax authority said its follow-up work for the campaign had recovered more than £103m in unpaid tax.

Three observations follow.

First, so much for the Isle of Man being clean. Yet again here they are in the middle of tax haven abuse.

Second, following the pattern HMRC seem to be exposing (but which is undoubtedly not try) tax evasion appears to be a north western phenomenon.

Third, £103 million has been collected but mysteriously it was the dodgy trader and not the high net worth individual who has been tackled.

I fully support tackling tax evasion and prosecutions. But the feeling of bias in HMRC's behaviour remains very strong indeed, and that is unacceptable.