

If the Lib Dems want a proper general anti-tax avoidanc...

Published: January 17, 2026, 9:53 am

The Lib Dems have [published a tax consultation document](#) for discussion before their spring conference. One issue that jumps out is under the heading General anti-avoidance rule, where they say:

The Coalition has introduced a general anti- abuse rule, which outlaws wholly artificial and aggressive tax avoidance by individuals and companies in the UK.

However we continue to believe that the government should go further and promote a broader anti-avoidance rule. This would state some clear principles that we expect people to respect, and have a pre-clearance system that would allow individuals and businesses certainty around their tax affairs. These safeguards will prevent the risk of someone being penalised for taking a step that they reasonably believed was acceptable at the time. Such a system would also promote simplicity by allowing the removal of a large quantity of specific anti-avoidance regulation in the extremely cumbersome UK tax code.

Question:

Do you agree that the GAAR, once implemented, should be further strengthened? And do you agree with the trade-off for taxpayers of a pre-clearance system to provide certainty?

If that's what they think (and they're right to do so) why aren't they backing Michael Meacher's General Anti-Tax Avoidance Principle Bill that I wrote since it delivers three things the current proposal does not. The first is a proper economic substance test. The second is a clearance system and the third a penalty regime for abuse of the GAAR. It's a shame they haven't backed it when they have had the chance.