

Tax haven UK when there's a company for every 16 of us...

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I've just noticed that the number of companies in the UK exceeded 3 million for the first time in January 2013, when the [total number in existence reached 3,002,521](#).

The UK's [population is 63.2 million](#). I think it's pretty safe to say that 15 million of them are too young to run a company.

That means there is one company for every 16 adults in the UK.

In the most recent year for which data is available (2010-11) just [926,000 companies paid corporation tax](#) out of 1,203,000 who admitted to having income to HMRC. Neither statistic is surprising: [as my work has shown](#) it's the case that only about half of companies submit corporation tax returns although about 70% are asked to do so (and you might well ask why the rest aren't). Non-compliance is now becoming the norm in corporation tax although H M Revenue & Customs don't admit it. It's a voluntary tax in all but name because there just aren't enough people to police it.

But that then begs the question, what were all the other companies for? The above data includes those making losses, so those making them don't explain the difference. Some companies were dormant of course - about half a million say they are (although no one checks it). But of the rest? Who knows?

But I will tell you that because the UK's Companies House is so understaffed and its checking so inadequate, and because HMRC almost never seem to pursue missing returns, those companies could be doing anything from tax fraud to money laundering and human trafficking. And we don't know. And because as a country we don't invest in Companies House and H M Revenue & Customs to check we clearly don't care.

I think [the cost could be £16 billion a year in tax lost](#).

But the [human tragedies](#) hidden behind UK company fraud could cost much more.

It's time we put an end to this tax negligent and officially condoned tax haven behaviour here in this country, now.