The OECD say the integrity of the corporate tax system ...

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There has been a lot of reaction to my comments on HSBC and Rolls Royce. Some agree with my sentiments; a great many do not. The lines those who disagree appear to be taking seem to fall into one of four camps.

First there is the "it's legal, so what are you worried about?' camp.

The second is the "what do you want, a voluntary contribution?" argument.

The third might be called the "they'll leave if you tax them" brigade.

The last is "but the accounts show the profit wasn't made here, so what's the problem?" school of thought

The first group clearly have no idea of the difference between legality and ethics.

The second ignore Starbucks, but leaving that aside my answer is, of course not: what I want is a tax system that ensures tax is paid in the right place at the right time, and we clearly haven't got it.

The third are just tedious; this argument has been offered for decades and the reality is that people do not leave. They try to shift functions to tax havens but as has been shown time and again companies who "leave" the UK mysteriously keep their head offices and everything that goes with them right here in the UK, so this argument is just nonsense. The "move" is almost invariably a tax planning exercise and nothing more.

The last show a complete lack of understanding of international tax, where under current tax rules the right to re-write the accounts always rests with a tax authority and rightly so because every tax authority knows what is presented to them need not have much relationship with economic reality. The trouble, of course, is lack of resources to do just that.

The result is that as it stands the international tax system is arbitrary at best and open to so many choices that the UK tax system is now basically a voluntary payment system. And you don't have to believe me when I say this. Take this form Martin Sorrell of WPP, speaking last December:

"You can have a procurement department in an offshore base; you can have a brand operation in an offshore base. And the criticism of some companies — Google is an example, Starbucks and Amazon — have done just that. Companies even based in the UK can do that."

Asked how the rules should be improved to ensure multinationals delivered a fair contribution to local exchequers, Sorrell said:

"I hate the term 'corporate social responsibility' but all of those contributions you make ... are a question of judgment. There are the rules, if then companies choose just as they chose ... to make a contribution to all the stakeholders on a long-term basis all credit to them."

In other words, if anyone pays tax in the Uk is pretty much down to the option of the company. I don't accept that as a basis for taxation.

I am suggesting that tax should be based on clear economic indicators: where sales are made, where people are employed and where tangible assets are. I did that for HSBC and showed more profit would be declared here on that basis. I believe that would reflect economic reality. I like that. I don't want companies to decide when to donate or not; I want them to pay what they owe.

I'm not blaming HSBC or Rolls Royce or accusing them of anything. But I am saying that their results and tax paid do not seem to reflect those economic indicators, and using accounts to suggest that is a perfectly reasonable use of public domain data. And I intend to keep doing it because even the OECD now recognise that this may well be the direction of travel that is required for international taxation because as they note in their February report on profit shifting:

“[tax] base erosion constitutes a serious risk to tax revenues, tax sovereignty and tax fairness for OECD member countries and non-members alike” and that “what is at stake is the integrity of the corporate income tax”.

That's my concern too, and I'm evidencing why it is an issue. That's all. But the vehemence of the response suggests I'm clearly hitting a target. So I'll keep doing so.