

The CBI's tax principles amount to little more than 'le...

Published: January 13, 2026, 5:07 am

The [CBI issued a statement on its seven new tax principles last week](#). As with most things said by big business on tax these need unpacking to work out what they really mean. here's my interpretation:

1. UK businesses should only engage in reasonable tax planning that is aligned with commercial and economic activity and does not lead to an abusive result.

Means: Don't get caught by the 0.01% of tax planning covered by the General Anti-Abuse Rule and you'll get away with almost anything.

2. UK businesses may respond to tax incentives and exemptions

Means: Play the system for all its worth and lobby for more concessions continually

3. UK businesses should interpret the relevant tax laws in a reasonable way consistent with a relationship of "co-operative compliance" with HMRC.

Means: Sweetheart deals work, so keep up the sweet talk

4. In international matters, UK businesses should follow the terms of the UK's Double Taxation Treaties and relevant OECD guidelines in dealing with such issues as transfer pricing and establishing taxable presence, and should engage constructively in international dialogue on the review of global tax rules and the need for any changes.

Means: Google, Amazon and Starbucks played by these rules, you just go ahead and do the same and in the meantime the CBI will spend a great deal lobbying against any change in the rules

5. UK businesses should be open and transparent with HMRC about their tax affairs and provide all relevant information that is necessary for HMRC to review possible tax risks.

Means: Stick to the existing rules and lobby like fury against country-by-country reporting which would show where the real issues are

6. They should work collaboratively with HMRC to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible

Means: Keep working at those nice cosy relationships with HMRC

7. Firm should seek to increase public understanding in the tax system in order to build public trust in that system, and, to that end:

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They should consider how best to explain more fully to the public their economic contribution and taxes paid in the UK

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This could include an explanation of their policy for tax management, and the governance process which applies to tax decisions, together with some details of the amount and type of taxes paid

Means: Take part in PWC's '[**Total Tax Contribution**](#)' nonsense and support [**Ernst & Young's lobby**](#) against country-by-country reporting.

I hate to be cynical, but to call these principles when they're actually an argument for keeping the status quo of multinational corporation tax abuse is absurd.

Wasn't it St Augustine who said "God grant me chastity, but not yet"? I very strongly suspect that in similar style the CBI are asking for tax reform, but not yet. And that ill becomes them.