

Cameron & Osborne: international tax avoidance advisers

ps://www.taxresearch.org.uk/Blog/2013/06/21/cameron-osborne-international-tax-avoidance-advisers

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As the [FT notes this morning](#):

Dozens of big and medium-sized UK companies are [rushing to set up offices in tax havens](#) such as Jersey, Malta, Ireland, the Netherlands, Luxembourg and Switzerland to take advantage of a policy introduced by the British government in April.

The policy, which creates an “ultra competitive” 5.75 per cent tax rate — a quarter of the full rate — for subsidiaries in tax havens that provide finance for other parts of a multinational group, has alarmed fair-tax activists. And it comes despite promises by David Cameron, UK prime minister, to [crack down on tax avoidance by multinationals](#).

The enthusiastic uptake of the policy means it could end up costing more than the expected £325m a year, say advisers. The rules may end up being tightened. “The political risks are rising,” says one adviser.

Cameron and Osborne might argue that they had to adopt such a policy in the light of the EU's attitude to controlled foreign companies, but the low tax rate was never required by any such pressure. This scheme, which will result in a haemorrhaging of tax revenue from the UK, was created by choice and shows that Cameron & Osborne are dedicated to tax competition, a philosophy so closely related to a belief in tax avoidance that the two are for all practical purposes to be considered as part of one single mind-set.

Cameron & Osborne says they're opposed to tax avoidance.

If that's the case they fail to evidence it in their actions and I take the evidence of action as the true indication of belief in this case.