

Increasing corporate accountability - what the UK Trans...

Published: January 13, 2026, 2:23 pm

[I've already written about the UK Corporate and Individual Tax and Financial Transparency Bill](#) (which, it has to be admitted is a bit of a mouthful of a title) and its objectives. Over a number of blogs over the next few days I want to explore what the bill, in detail, seeks to do.

[Section 1 of the Bill](#) tackles disclosure of financial information by large companies. What I'd like here, of course, is full country-by-country reporting, but the fact is that this is best delivered by the European Union and so this Bill does instead look at what could be done now, and easily, within a UK context to tackle the problem of opacity that surrounds much of the activity of multinational companies.

That opacity arises firstly in identifying precisely which companies make up a multinational corporation and secondly from finding out about the trading of each of those companies within that group. The section tackles these issues in three ways. Firstly the rules in the Companies Act 2006 on information to be disclosed by large companies with regard to their subsidiaries are amended.

Second, those rules are then extended to require that a more detailed description of the subsidiary companies of a multinational corporation is published by any such group within its annual financial accounts. That would not let them, as now, relegate this information to a footnote in the annual return form, but would require an expanded note to be included in all financial statements from UK multinational corporations on just what companies, exactly, make up the accounts that are being reported. It takes only a seconds thought to appreciate firstly just how readily available this information is to the company and how important it might be to the user, who is at present very often denied that information, as research for [the Fair Tax Mark showed](#).

Lastly, the Bill requires that a multinational corporation make available on public record the accounts of all the companies that it controls, which could be its own web site. This would mean that anyone dealing with that group could then have access to the information they need about the particular part of it that they are trading with. This requirement would cover all its subsidiaries, wherever they might be in the world.

The disclosure provided by this section is not, of course, a substitute for country-by-country accounting that has been demanded by many in civil society, but is a natural complement to it. And importantly, all the information that this section demands be disclosed must already be available to any multinational corporation and as such the cost of this disclosure will be negligible but the benefits outlined in the first part of this briefing will be considerable, not least to the company itself.

This is a simple, straightforward and almost costless change to the disclosure requirements by multinational corporations that would, however, massively increase understanding about their operations, disclose tax abuse if it was happening, let investors see how the resources they entrust to those companies are allocated, and so enhance investment decision making, and at the same time reduce the risk that corruption is taking place by shining the sunlight of transparency on group activities.

Companies will, of course, oppose the measure. But why would anyone else?