

Solving the problems within unitary taxation - my discu...

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The [Tax Justice Network](#) is holding its annual workshop / conference today and tomorrow when about 50 people will congregate at City University London to consider the them of 'BEPS and the future of corporation tax'. BEPS is 'base erosion and profit shifting' - or the process by which multinational corporations move their taxable income beyond the reach of the countries where they really earn them.

Much of the discussion during the day will focus on unitary taxation as an alternative to the now discredited system of arm's length transfer pricing for apportioning the profits of multinational corporations between states. Theoretically [unitary taxation has to offer better solutions](#) than the existing OECD endorsed methods of profit allocation which are costly, bear no relationship to economic reality and are open to widespread abuse. However, unitary taxation also has its share of problems, not least with regard to determining what is profit.

Prof Prem Sikka and I are currently looking at this issue and will be preparing a paper for publication later this year but both of us will be introducing the work at the conference. My speaking notes are as follows:

Click on the image for a bigger version because I am aware you won't have a hope of reading the above - and then optimise by using ctrl + or - keys (cmd + or - on a Mac) and start reading at 1 o'clock and work round, always going clockwise.

As yet I do not know the outcome of our thinking: that's the reason for making tomorrow's presentation. We are seeking debate and input. Comments are welcome here too.