

The Queen's lawyers say companies do not have a duty to..

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I've [long argued that companies do not have a duty to avoid tax](#), or maximise profit come to that so it's good to note that the Queen's lawyers agree. The Guardian has noted this morning that:

Britain's business leaders will be sent advice on Monday from a top law firm warning them they cannot claim it is their fiduciary duty to shareholders to avoid tax.

The legal assessment from Farrer & Co, which numbers the Queen among its clients, states: "It is not possible to construe a director's duty to promote the success of the company as constituting a positive duty to avoid tax."

Farrer says company directors have a wide discretion when calculating the social impact of their decisions. If they choose to pay tax responsibly, they would in fact be protected by the applicable law rather than at risk of liability, it explains.

I'm pleased that they agree with my assessment - something that David Quentin, a tax barrister who was involved in drafting the legal opinion has confirmed to me.

He also agrees with me on the motive for much corporate tax avoidance, when suggesting that many companies were sometimes pursuing self-interest when tax avoiding:

Board-level executives often benefit from performance-related reward packages which are indirectly affected by the amount of tax the company pays. Corporate tax avoidance is presented as a matter of high-minded 'fiduciary' duty, but it is probably better understood as being about personal reward.

This [is a line of argument I have put forward for a long time](#).

The Tax Justice Network is sending the opinion to all FTSE 100 companies today. I hope they take note.