

Vodafone's Verizon tax free deal exploiting a tax relie...

Published: January 12, 2026, 9:38 pm

Vodafone is selling its stake in US mobile network Verizon for about \$130 billion [according to press reports](#). That's more than £80 billion.

And the deal will almost certainly be tax free. No great offshore planning will be needed to achieve this: Gordon Brown introduced the [substantial shareholdings exemption](#) in 2002. The result is that Vodafone has an automatic right not to pay tax on this gain in the UK.

This is absurd: such an exemption now seems like a relic from another age when it was believed that City trading was the route to Nirvana. Now we know it isn't. And now we know that such an allowance simply encourages mergers and acquisitions, most of which are not socially useful, promoted by investment bankers, most of whom are socially useless, with the return being paid to those who are already wealthy at cost to those who have little or nothing in society, increasing all the harmful impacts of inequality in the process.

It is indisputable that tax, whilst generally a force for good in society, can produce harmful outcomes. This is one tax relief that can and does do that. It's a relief that is time expired and which needs to now be consigned to history. But will any politician have the courage to say so?