

# International tax abuse, Facebook style

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This is [from the FT this morning](#). Tax abuse is alive and well and continuing from Ireland:

*A Dublin-based company at the heart of [Facebook](#)'s international tax structure used [a complex tax avoidance scheme](#) to limit its Irish corporation tax bill to €1.9m last year, despite generating turnover of €1.79bn.*

Facebook Ireland Limited, which employed 382 people in Dublin, generated a gross profit worth €1.75bn in the year to the end of December 2012.

This profit turned into a pre-tax loss of €626,000 when the company paid Facebook Holdings Limited, its Irish-based parent company, €1.75bn in administrative expenses for the use of intellectual property central to its technology platform. The challenge to the OECD is a simple one: unless its Base Erosion and Profit Sifting project stops this abuse it has failed.