

The Fair Tax Mark is back

Published: January 14, 2026, 4:31 am

Today sees the relaunch of the [Fair Tax Mark](#) of which I am [the technical director](#).

As many readers of this blog will know, I was involved with the launch of a trial version of the Fair Tax Mark last summer. For a number of, mainly personal, reasons we could not take work on the Mark forward as fast as we wanted last summer so, instead, those involved took time to reflect on what had been achieved, listen to and reflect on criticism and comments made and to then reconsider the next best steps. That process has led to the changes reflected in today's relaunch.

That there is a need for a Fair Tax Mark is obvious. If 2012 was the year of tax hysteria and 2013 was the year when grand promises were made then 2014 has to be the year of delivery. Many within the tax profession might think that the OECD's BEPS process is the source of hope in this respect but the public wants signs of action too. That was clear, for example, when [in November 2013 the Institute of Business Ethics reported that](#):

Worries about tax avoidance have shot to the top of public concerns about business behaviour, replacing executive remuneration by a wide margin, according to the latest survey of public opinion conducted for the Institute of Business Ethics by IPSOS Mori.

This is where the Fair Tax Mark comes into play. People have now got used to hearing stories about companies who are tax abusing. What they now want to know is who they can trust on this issue. So, just as the Fair Trade Mark was created to tell consumers which companies were acting ethically within their supply chains, so the Fair Tax Mark has been designed to identify companies that are playing fair with their taxes.

The [Fair Tax Mark's guiding principles](#) are firstly that a company should pay the right amount of corporation tax (but no more) in the right place at the right time according to the spirit of the law of the jurisdiction in question and secondly that a company should be capable of being held to account on its tax behaviour by the public based on the information it chooses to publish.

The difference between the Fair Tax Mark and others in this area is that we do not think

that warm words of comfort from corporate PR departments on tax compliance are now enough; we want to see these principles evidenced in action, and most particularly in the accounts that companies publish.

This last point is vital. The simple fact is that the tax reporting of most companies is now almost incomprehensible. Whilst our ambitions are big, and include country-by-country reporting for multinational corporations, we are starting with UK based companies and the SME sector.

In that sector our goal is firstly publication of a full set of accounts (abbreviated accounts will not do, of course) and that those accounts have to impart meaningful information. So, for example, we expect the company to be clear about who owns and manages it, where it trades and what it does. In the case of many SMEs this is information that is not always easy to secure.

Having reached these base-marks we then expect the company to have a clear policy on taxation either in its accounts or on its web site and that this should clearly state that it will not avoid tax. We give bonus marks for confirmation that the company will not use tax havens for tax purpose and that it will not use schemes that might be subject to the GAAR or DOTAS or which lack economic substance.

However, perhaps the biggest challenge for most companies and their accountants will be that we expect companies to explain the tax that they pay. This means that the current tax charge in their accounts has to be separately reconciled to declared profits before a separate deferred tax reconciliation is provided. We also expect a narrative description of the reconciling items as well a numeric data on these points. To help users we are publishing example notes to make clear just what we mean when saying this.

The reason for such disclosure demands is that we think that many, and perhaps most, users of financial statements, including the shareholders of many SMEs, simply do not understand why and when the companies they engage with are paying tax, and what bills might lie around the corner hidden in the deferred tax liability.

After all that a surprisingly small number of marks are awarded depending on the tax rate the company pays. To highlight that our emphasis is on disclosure, if the explanation is appropriate a company can get a Fair Tax Mark and pay no tax at all. After all, we have to recognise losses happen.

So why do we think this matters? Simply because we believe that the time for clarity on tax has arrived and that if we have it those companies that are doing the right thing can both prove it and be rewarded for doing so, which is why we're rather hoping that many companies will want to apply for the Fair Tax Mark and that their accountants will see the Fair Tax Mark as a value added service they can supply to their clients.

There is, of course, much more on our website at fairtaxmark.net including details of [our pioneer companies](#), the Midcounties Co-op, Unity Trust Bank and the Phone Co-op.