

Funding the Future

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I take some satisfaction from this headline in the FT, published overnight:

[As the article relates:](#)

Investigators believe Luxembourg gave Amazon favourable terms in a 2003 tax ruling, which caps its tax exposure to the Grand Duchy and helps limit its overall bill to less than 1 per cent of the retailer's European income, according to people briefed on the case.

Why the satisfaction? Because time and again after the Amazon story was first exposed it was said that Amazon had done nothing wrong, Margaret Hodge was wrong to pursue Amazon, the arrangements it had were all entirely legal, it was inappropriate to claim from its accounts that there was any evidence of tax avoidance and on, and on, and on.

Well it now looks like those apologists may be wrong and that those, who like me, pursued this issue from the outset were justified in doing so, as has also been the case with Apple and Starbucks.

It takes time to prove tax avoidance but the case is sticking time and again it seems. Now we need real reforms to tackle the abuses, including from the EU with regard to Luxembourg, Ireland, the Netherlands (and the UK with regard to the patent box) and real changes to accounting so that these issues are easier to identify in future.

Country-by-country reporting on public record would be one way of making such change, of course. But I feel that there is a lot more needed than that. I am working on this issue.