

ActionAid's new report on responsible tax practices

Published: January 17, 2026, 6:53 am

ActionAid has published a new report entitled '[Responsible Tax Practice by Companies: A Mapping and Review of Current Proposals](#)'. The aim, as they put it, is summarised as follows:

While tax practice has clearly become part of responsible corporate citizenship, there is little agreement about what a responsible approach to corporate tax looks like in practice. This paper is a stock-take and analysis of existing proposals in this area, produced by a range of interested actor groups.

That, I think, is a useful exercise. So too are the findings, which are summarised by them as follows (my emphases added):

1 Almost all proposals for responsible practice, from all actor groups, fall into one of eight issue areas of tax responsibility: tax planning practices, public transparency and reporting, governance of the corporate tax function, relationships with revenue authorities, impact assessment, policy and practice in developing countries, tax lobbying and tax incentives. All actor groups have focussed their attention to date primarily on two of these issue areas: tax planning practices and public transparency and reporting.

2 Within this top-line consensus about which issues sit under the tax responsibility umbrella, **there are some very significant differences of opinion about what good corporate practice looks like.** Proposals for country-specific tax reporting, for example, are often lumped together under the same heading - 'country-by-country reporting' - but they are based on very different views about what information should be reported and why. All indications are that public reporting of country specific tax payments and country-specific contextual accounting data will very soon be the benchmark for responsible practice in all sectors.

3 Many recommendations for good practice (from all actor groups) share the same basic difficulty: how to draw a clear line between acceptable and unacceptable tax practices. To address this, a small number of sources recommend

particular positive behaviours that promote sustainable public revenues and socioeconomic development (i.e. not simply proscribing certain 'bad' practices). More work is needed in this area but such approaches may help to move the debate beyond deadlocked disagreement over what behaviour is acceptable or unacceptable.

4 'Business and human rights' frameworks have had an increasing influence on thinking about tax responsibility in recent years. These frameworks emphasise the need for businesses to assess the impacts of their tax planning if they are to meet their obligation to respect internationally recognised human rights. None of the frameworks we reviewed yet provide any detailed guidance on how this could or should be done - the challenge for responsible business will be to work out what impact assessment of tax behaviour looks like in practice.

5 Most of the sources reviewed, from all groups, understand and measure the impact of MNC tax behaviour in terms of 'lost' tax revenue. However, tax behaviour also has direct impacts on taxpayers, shareholders, workers and customers. These impacts, which are not dependent on state spending, are much less commonly considered in the proposals reviewed, but will need to be an integral part of impact assessment of tax behaviour.

6 There are few sources that address the particular context of developing countries . Only half of the NGO sources reviewed contain development specific policy recommendations and only 7 of the 45 sources we reviewed overall. Effective management of business impacts (and the risks that negative impacts create) requires that MNCs assess the particular consequences of their tax behaviour in developing countries and consider what this means for how global standards are translated into policy and practice at the local level.

7 Only 4 of the 45 sources reviewed consider MNC's lobbying for, or use of, tax incentives and exemptions. This is an important area for further thinking given that, particularly in developing countries, the impact of tax incentives on public revenues is likely to be at least as great as (if not greater than) the impact of tax planning practices.

The significance is, I think, threefold.

First, that there are 45 initiatives, including the Fair Tax Mark, to review is some indication of how this issue has changed. It is now the biggest public concern about corporate behaviour.

Second, the focus on tax lost gets headlines but will I think be replaced by the focus on positive behaviours that measures like the Fair Tax mark promote.

Third, there is still not enough tax data. Public country-by-country reporting is essential.

However looked at, this is a useful addition to understanding.