

## Creating and managing tax risk

Published: January 13, 2026, 2:33 pm

---

In 2003 John Christensen and I were driving the then very new and very small [Tax Justice Network](#).

We needed a strategy that would draw attention to the fact that tax abuse was costing countries tens and probably hundreds of billions in lost tax revenues. The impact, especially on developing countries, was, we suspected, fundamental to their well being.

The strategy was to put the tax affairs of multinational companies using tax havens to reduce their tax bills on the front pages of newspapers until reputational risk forced a change in behaviour. It was the right strategy. It worked. This morning [the FT reports](#) that:

*Apple has warned investors that it could face “material” financial penalties from the European Commission’s investigation into its tax deals with Ireland – the first time it has disclosed the potential consequences of the probe.*

*Under US securities rules, a material event is usually defined as 5 per cent of a company’s average pre-tax earnings for the past three years. For Apple, which reported the highest quarterly profit ever for a US company in January, that could exceed \$2.5bn, according to FT calculations.*

As [research by those supporting a Tax Dodging Bill](#) has also shown, public support for action on these issues is enormous.

It's taken more than a decade, but the time to crack down on such abuse has really arrived. The OECD has to deliver BEPS now, and countries have to step up to the mark and enact it.

As importantly, country-by-country reporting on public record is now an imperative.

As is a proper general anti-avoidance principle.

And an appropriately funded tax authority.

When the alternative is companies facing penalties exceeding \$2.5 billion that does not seem too much to ask.