

Why we need International Tax Reporting Standards

Published: January 12, 2026, 11:12 pm

I was in a meeting yesterday at which the tax director of a very large company was present. I won't say which. He and I have known each other for some years.

I had opportunity to discuss what I think the [Fair Tax Mark](#) is doing with companies to improve the communication of tax in their accounts.

Slightly to my surprise the tax director in question spoke next and said he entirely agreed with me. Having recently finished the tax notes to his group's accounts he said he had come to the conclusion that data prepared in compliance with International Financial Reporting Standards communicated nothing useful or comprehensible to anyone.

I would agree in his group's case, with whose accounts I am familiar. But it's not his fault. IFRS is simply wholly deficient in its logic and requirements when it comes to tax (and other things, which I will leave aside for now).

So the question is what can be done about this?

My answer is we need International Tax Reporting Standards. Anyone got any funding to develop them?

If done right these would:

- 1) create a level playing field in reporting
- 2) resolve the multiple demands on companies that exist now, and so save them money
- 3) ensure the information needs of all users of accounts, including investors (who, as my acquaintance rightly noted, get nothing useful now) are met
- 4) enhance information on governance
- 5) mitigate concerns on avoidance

6) embrace country-by-country reporting

7) explain why it can be fair not to pay tax, if that is the case.

I am not offering a panacea, but I am sure as heck offering a real way forward and if corporate Britain was serious we'd be in discussion on this tomorrow because they have got more than anyone to win from this, but only if they comprehensively include stakeholders in the debate.