

## Will corporate tax abuse end?

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There were two corporate tax abuse stories yesterday.

One was about Next, where HMRC [believe they have closed a £22 million loophole](#) the company was trying to abuse.

The other [was McDonalds](#), where allegations of large-scale tax abuse through Luxembourg have caught fresh media attention, although it is likely that the company will [already be subject to an EU investigation](#).

So to get things in right ordering, firstly congratulations to HMRC. All such winds are good news.

As for McDonalds, the allegations extend the scope of enquiry into the artificial diversion of profits in to Luxembourg and simply show the pervasiveness of such behaviour if proved to be correct, but they do not break new ground. That is not to underestimate their significance: the issue is important and McDonalds and the structures they have used need to be tackled. But, and it is an important but, the fact that these issues are known about and that action on investigating this case at an EU level does already seem likely show how far we have come on tax justice issues as they relate to corporate abuse.

I applaud all those campaigners and politicians (especially MEPs) who are addressing these issues: their work is vital. But the other day I was asked by a well known journalist if I thought that such revelations and the attack on corporate tax abuse could now sustain campaigning on tax. My answer is that it cannot, in the long term. Whilst it is vital that work goes on to ensure that the changes we still need, such as country-by-country reporting on public record, are delivered such campaigns are now changing. For example, investors are now appreciating the role they can play on such issues, and the advantages to them of doing so.

More than that though, there is an awareness now that big as this corporate tax abuse issue is it is not the only tax issue of concern. So, for example, [if we're talking business tax how the world's 2 billion or so self employed people and temporary employees are](#)

taxed is at least as big an issue now, and also vital to the well-being of developing countries.

Corporate tax abuse will be with us for a long time to come, I fear, not least because I still think there is a real lack of awareness amongst many companies as to what good tax practice looks like. But one of our aims must now be to use publicity as the springboard for wider awareness of the issues involved.

I increasingly feel that's the next stage of what I, at least, am doing.