

The plan to make the UK a tax haven continues

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I have long argued that George Osborne and the Conservatives have had the aim of making the UK a tax haven. Even [the FT agrees](#) after yesterday's cut in the corporation tax rate to 18%:

George Osborne's trademark historical reference in this budget was an old RAF bunker whose restoration he will fund. The chancellor may need that bolt-hole. Cutting corporation tax to 18 per cent by 2020 will be seen as an act of economic warfare by some in the US, Germany and France, where headline rates are 30 per cent or above. A barrage of criticism of the UK as a tax haven will probably ensue.

That criticism will be justified. What is happening is that the UK is blatantly trying to ensure that profits are artificially relocated to the UK to enjoy a lower tax rate here than they would elsewhere. And if that is not tax haven behaviour it is hard to say what is.

In the year when Magna Carta is celebrated the rights of the City of London, [enshrined in clause 13](#), appear to be at the heart of UK tax policy, as they always have been. It's a woeful basis for an economic policy. It contravenes all that the OECD Base Erosion and Profits Shifting process is about. As a way of undermining global economic stability it is a sure fire winner.