

# Rangers FC: common sense prevails

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Hallelujah! The Court of Appeal used common sense in its approach to the Rangers FC Employment Benefit Trust appeal and ruled for HMRC. I rather [like the BBC take on this](#):

*Delivering the opinion of the court, Lord Drummond Young said it was "common sense" that income from employment should be subject to tax. He stated: "If the law were otherwise, an employee could readily avoid tax by redirecting income to members of his family to meet outgoings that he would normally pay: for example to a trust for his wife... or to trustees to pay for his children's education or the outgoings on the family home.*

*"The funds are ultimately derived as consideration for the employee's services, and on that basis they are properly to be considered emoluments or earnings."*

Absolutely right. No one involved in this whole arrangement did, I suspect, at any stage in the whole process of creating these trusts think that what was being settled was anything else but pay for services. They just tried to get round the obligations associated with that payment. As the BBC noted, even the lower level tax tribunals tried to fool themselves into thinking otherwise:

*The judges observed, caustically, that the principle is so glaringly simple and straightforward that it seems to have been overlooked by the tax tribunals.*

So common sense has prevailed.

Full marks to HMRC on this occasion in persevering.

And maybe, just maybe, some lawyers will take note.