

Demands for Fair Tax disclosure are growing

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Two items of news suggest that yesterday was a fortuitous day to launch the idea of [Tax Reporting Standards](#).

The first came from the European Union Parliament. There the TAXE committee [made its recommendations](#) to the EU Commission on measures to improve corporate tax transparency, coordination and EU-wide policy convergence in legislative recommendations. Amongst the suggestions made were requests that the Commission:

- * table a proposal for country-by-country reporting on profit, tax and subsidies by June 2016
- * table a proposal for introducing a "Fair Tax Payer" label,
- * introduce a Common Tax Base (CCTB) as a first step, which later on should be consolidated as well (CCCTB),
- * estimate the corporate tax gap (corporate taxes owed minus what has been paid),
- * strengthen the mandate and improve transparency of the Council Code of Conduct Working Group on Business Taxation,
- * improve the transfer pricing framework in the EU, and
- * come up with an EU definition of "tax haven" and counter-measures for those who use them

I do not dismiss other suggestions not listed: I highlight these and especially the second. The Fair Tax Mark gave evidence to the Committee: it looks as though that evidence has been noted. I welcome that and thank the Committee for doing so. There is no guarantee that the request will result in legislation, but this is a step in the right direction, as are the other noted measures.

The second item of news [refers to a speech John McDonnell](#) gave to the London Chamber of Commerce and Industry on Wednesday, where it is reported that he said good businesses should be praised and noted if Labour achieve office, saying

Those businesses who pay their taxes transparently and properly, and who pay their employees at least the living wage, deserve proper, public recognition. It'll be open to any business that wants to apply.

It would appear that this combines the campaigns of the Fair Tax Mark and that of Share Action on the living wage. I do, of course, welcome that whilst noting that, as is the case with the EU recommendations, there is nothing guaranteed here.

What is important is the indication that both suggestions give on trends in thinking. There is a clear and obvious awareness that more information is needed on tax and that those companies that deliver need to be recognised for doing so. The Fair Tax Mark, of which I am a director, is a pioneer here. [Tax Reporting Standards](#) take that issue forward by providing a base line for what is needed.