

## Now the Financial Reporting Council is realising tax is...

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I have this week called for the [creation of Tax Reporting Standards](#). The [EU Parliament and Labour seem to be like-minded](#), taking their lead from the Fair Tax Mark. Now the UK's Financial Reporting Council (which sets UK standards for accounting, auditing and actuarial work) [has announced that](#):

*The Financial Reporting Council (FRC) will conduct a thematic review of companies' tax reporting to encourage more transparent recording of the relationship between the tax charges and accounting profit. The required disclosures are key to helping users understand the significant factors that could affect that relationship in the future.*

*The FRC plans to take a particular interest in:*

- \* the transparency of tax reconciliation disclosures and how well the sustainability of the effective tax rate is conveyed; and
- \* uncertainties relating to tax liabilities (and assets) where the value at risk in the short term is not identified.

These are two specific areas that I have suggested should be covered by [Tax Reporting Standards](#). I will be seeking a meeting with them. Their intention of simply making further enquiry of companies on how they manage these risks is not enough: new standards are needed.

*Hat tip to Tim Bush of PIRC*