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In a slight twist to my planned Friday evening the BBC called me a little before eight tonight to ask if I minded being on Newsnight, in London at 10.30. That's cutting it a bit fine from the more northern parts of East Anglia, but I got there.

What was the story? Google's tax. Reports had circulated during the day that Google was at Davos and was holding talks about 'normalising' its tax affairs with France, the UK and others. By the time I got to the studio the story was confirmed, but the details are decidely worrying.

First though, some background. I was asked because way back in 2009 I was the first person to ever write about Google's tax affairs in the UK. http://www.taxresearch.org.uk/Blog/2009/04/19/googles-tax/ The story then was for the Sunday Times, as it was when I repeated the exercise a year later, although it was only when I cooperated with Jesse Drucker of Bloomberg on it in 2011 that it really took off.

The essence of the story has always been the same. Using current data Google turns over about $70 billion a year worldwide, or a bit over £40 billion a year. We know around 10% of this turnover is usually in the UK. And we know Google worldwide makes a profit margin of around 25 per cent most of the time (sometimes a bit more) meaning that if profit was allocated evenly across all states in which it operateson the basis that it is local advertisers and local clicks that drive the revenue stream then the UK turnover might be over £4 billion, real profits on an evenly apportioned basis might be about £1 billion and tax due might be £200 million, or more.

Except it isn't. Google might have made sales of maybe 10 per cent of its turnover (or thereabouts) ’into’ the UK but that is not the same as 'in' the UK, because those sales were (and look as though they still will be) recorded as coming from Ireland. The Google UK operating company does not bill UK companies, but has and looks like it will charge a sales commission to the Irish operation.

In the past this gave rise to almost no UK tax paid. That has not been true in recent years when tax of more than £20 million a year has been declared in the UK, but that is still vastly less than the apparent pro rata sum due noted above and that has been the point of contention.

Now it is said that Google is going to pay more tax. The settlement for the past decade is £130 million, which however I look at it is a very small part indeed of what I thought should be owing. That is annoying, but much more worrying is the implication that this deal may be the basis for Google's future UK tax bills.

Let me run through the concerns. First, it looks like the Irish sales operation is going to survive intact. If true this is a disaster: the focus of the OECD BEPS process was to force companies like Google to recognise their sales in countries like the UK by requiring that they be recognised as having what are called permanent establishments in this country. If that is not going to happen then HMRC and the Treasury have given back dated approval to Google's avoidance and have accepted it for the future, which virtually kicks the legs from under BEPS process before it has had a chance to get going. The Diverted Profits Tax was a deliberate BEPS spoiler by George Osborne and now he is doing it again. If true that is utterly irresponsible to the world community.

This gives rise to the second concern. The UK is clearly endorsing tax competition with this deal. In the process it endorses the shift of tax from multinational companies to individuals and harms the cause of equality and fair commercial competition in the process.

The third concern is that the basis of this deal is bizarre: it is apparently technically cost plus pricing plus a little proportion of turnover. When the OECD has begun to move towards endorsing profit split arrangements the logic of this bizarre transfer pricing arrangement is hard to fathom.

Fourth, this suggests the culture of cutting dodgy deals with large companies is still very much alive and kicking at HMRC. The sheer incompetence of doing that is hard to fathom. The politics are even harder to grasp unless they are of contempt for the ordinary people and the small business community of the UK. Crickhowell, eat your heart out.

Fifth, other countries will rightly hate us for this. The EU will, I imagine, be livid. Washington will not be. Nor will a host of US multinationals.

And last? This deal is a great one for the tax abuse industry. That is the last thing we wanted.

As you might gather then, I am not celebrating on the train home late at night. I would love to say this is a minor win but I am not now sure I can even say that when the truth is that this is another day when HMRC rolled over and had its tummy tickled by a major corporation in exchange for a tax payment way below anything we should have expected and in contravention of almost every international tax obligation we should hope the UK woukd now be endorsing.