

What does the Google deal really say?

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I have nothing to [add to the detail I wrote on the Google deal](#) after reflecting on it overnight. I do have some broader reflections on the implications of this deal.

First, if evidence was needed that HMRC needs top down reform then this is it. I have [written in depth about this here](#).

Second, as I said on Newsnight, this looks like a disaster for the OECD Base Erosion and Profit Shifting proposals. For all practical purposes it looks like the UK has completely ignored these in coming to a settlement and it has signalled as a result, first of all, that it does not care for them; second that deals are still open to be done and third that after all the effort expended that aggressive tax competition remains alive and far too well.

Third, let's not pretend such a move was not politically sanctioned. The precise sums were not, I am sure, but the structure of the deal reached would, I am certain, have required political sign off and the message is loud and clear. This is saying that the UK is open for business as a tax haven.

Fourth, this looks like another nail in the coffin of corporation tax as we have had it. The so-called arm's length pricing method of allocating profits internationally so patently does not work if this is the best that it can deliver that it, and the OECD process that is still wedded to it, look to be in their death throes. The [time for unitary taxation](#), that apportions profits of a multinational company to the places where it trades on a just and equitable basis, has come. It won't be people like George Osborne who deliver it: that task will fall to mass political movements demanding justice. But come it no doubt will in the face of such obvious tax injustice as the Google deal.

What else? Lobbying clearly still works. Google have kept friends in high places. It has worked very well for them.

This is a bad deal for the UK, for tax justice, for international tax agreements and the campaign against inequality - which deals like this fuel. But if it tips the balance towards necessary more radical change all is not lost yet. I live in hope, despite it all.