

The Public Accounts Committee is not sure HMRC have del..

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The Public Accounts Committee have just published this statement of findings following their hearing with Google:

It is not possible to judge whether a £130 million tax settlement agreed between Google and HMRC is fair to taxpayers, the Committee of Public Accounts concludes in a Report published today.

However, it finds the sum paid by Google “seems disproportionately small when compared with the size of Google’s business in the UK, reinforcing our concerns that the rules governing where corporation tax is paid by multinational companies do not produce a fair outcome”.

In its recommendations to government, set out below and in the attached Report, the Committee calls on HMRC to “lead the way in pressing for changes in international tax rules to prevent aggressive avoidance by multinational companies”.

It says HMRC should consult widely on the case for changing rules that protect corporate taxpayer confidentiality “to make the tax affairs of multinational companies open to public scrutiny”.

The Committee also expects HMRC to “monitor the outcome of other tax authorities’ investigations into Google, and re-open its settlement with Google if relevant new evidence becomes available”.

Hard to argue with that, but most especially paragraphs three and four. The time for unitary taxation has arrived. My suggestion is the Public Accounts Committee pave the way by holding the hearings on what the alternatives are.

(Apologies for lack of links: working under time pressure pre-flight)