

## A note from Bratislava: Brexit, economics and tax

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I came away from a day of discussion on economic affairs and tax with MEPs and EU member state MPs in Bratislava with a number of very strong impressions.

The first, and most overwhelming was that there is a deep sense of regret that the UK is leaving, an absence of animosity on the issue, an openness to a change of heart, a widespread belief that Donald Tusk is right to say that Article 50 is reversible, and a hope that as negotiations unfold wise heads in the UK might realise that reconsideration is necessary. I shared that hope, but could not assure them on there being wise heads.

Second, there is little belief that current EU policy is working. In particular, there was a strong sense that a dependence on monetary policy alone within the Eurozone is a disaster and that the time has come for an EU fiscal policy. The feeling that this was investment linked was very powerful. I didn't mention an EU Green New Deal as I was there to talk tax, but it seems that there is growing demand for such a thing.

Third, there is an appetite to move beyond platitudes and to start really talking the issues. So, on tax there was a warm reception for Prem Sikka's suggestion that the EU has to look at the role of the Big Four accounting firms if it is to really tackle tax abuse, and that their heavy engagement in decision making processes has to be reduced if the EU is to reclaim control of its tax and accounting agendas.

And the point I made that creating information exchange systems will be meaningless unless there is high quality data to provide that has been verified at source was grasped: the Commission talked about systems but I made clear that these will fail if, as is the case in the UK, hundreds of thousands of companies will either never provide data on their beneficial ownership or simply not return necessary forms and know they can do so with impunity. A veneer of action will be meaningless unless there is reform on the ground. It was apparent that the meeting was desperate to hear this type of real world view and not platitudes.

That was because there was a real appetite for tax reform from most present, Ireland

and Cyprus apart. It was profoundly disappointing to note the deeply negative and wholly predictable responses from these tax havens. I was fairly direct in my own responses to them: there are times for diplomacy and times for plain speaking on the dangers of tax competition.

What was surprising was the enthusiasm for the EU Common Consolidated Corporate Tax Base. There are real issues and concerns there for me: it is not a panacea as Prem Sikka and I have pointed [out in a paper on the issue](#). But if there is willing to take the issue forward - even amongst some member states - I see grounds for optimism.

And that was also apparent on public country-by-country reporting.

I am under no illusions. But it was worth the effort.