

g business needs to stop moaning about HMRC and becom

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The [FT has reported this morning](#) that:

*The length of time it takes HM Revenue & Customs to investigate Britain's largest businesses has stretched to three years on average, leaving directors unhappy at protracted costs and legal uncertainty.*

*The UK tax authority's investigations into large companies took 34 months on average in the year to the end of March 2017, up from 31 months in the previous financial year.*

*PinSENT Masons, the law firm that obtained the data, said the figures reflected HMRC's increasingly aggressive approach to tackling corporate tax avoidance and a growing unwillingness to cut deals with large companies.*

*Ian Hyde, a partner at the law firm, said: "HMRC is digging its heels in and not backing down, even when there is a sensible settlement to be reached. Giving businesses certainty over the legal and tax environment is an important part of a smooth-running economy. Leaving these investigations open for three years at a time does not help that."*

Let me offer three responses.

First they should demand more resources and maybe better pay at HMRC. Then things will be done quicker and maybe better.

Second, they should be willing to pay for that with more tax. The obvious has to be said.

Third, there's an easy way for most big businesses to avoid complex investigations: it just requires them to stop playing silly tax games.

I make clear that I know HMRC are not innocent of pursuing fatuous investigations: I have seen them. But by and large they want out of investigations as fast as the taxpayer, unless of course they think the taxpayer has been playing such games with

them. Then they play tough, and rightly so.

Business can have all the certainty it wants. But to do so it has to seek to be tax compliant. Tax compliance is seeking to pay the right amount of tax (but no more) in the right place at the right time where right means that the economic substance of the transactions undertaken coincides with the place and form in which they are reported for taxation purposes. It's not that hard. I recommend it to business: being compliant will solve a lot of their problems