

Amazonâ€™s tax is not transparent â€“ but pol...

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I have [an article under the above heading in the Guardian this morning](#). In it I argue, after analysing Amazon's tax payments:

Amazon's tax looks low because we can only confirm payment of tax of £4.7m, which is paid at one third of the expected rate on about one quarter of its UK activity. That could imply more than £50m of tax needs to be accounted for.

But the simple fact is that the missing payment might be in the accounts of Amazon's Luxembourg company, and we will never know because Amazon can legally get away with not telling us. And that is the real issue that needs to be addressed because, until we improve the accounting for tax, we can't have a meaningful debate on whether the right amount is paid by companies or not.

Thankfully, there are readily available solutions. First, we need the accounts and company files for a UK branch to make clear what the activities of that branch are in the country where they are filed, including tax paid. It's not acceptable that the figures be lost in totals for the company as a whole. UK law could be changed to require this.

Second, every multinational company with multiple trading entities in the UK as a whole should be required to file on public record a single set of accounts covering all of its UK operations so that we can see the whole picture for the company in this country in one single set of accounts. Without such accounts, a multitude of sins can be hidden from view by those companies who might want to do so.

Third, we need Amazon — and all large multinational corporations — to publish full country-by-country reports on their activities. I first [proposed this idea in 2003](#); in 2016 the European commission [proposed its adoption](#). But many EU member states are dragging their feet on it, even though it would show exactly what a company like Amazon makes in terms of sales, profit and tax paid in every country (including the tax havens) in which it operates.

We might get angry with Amazon. We may be right to do so. But frankly, we should be

just as angry with our politicians. They are letting companies deliver poor quality 20th-century accounting when we need data fit for the 21st century. It's time for a root-and-branch reform of accounting.

The accountancy profession will hate it. But we have to ignore them: full accounting transparency is the way to ensure that the right amount of tax is paid in the right place at the right time, and nothing less will do. We need new accounting laws and standards, now.

I think it's time for this debate to look for the next round of solutions. That is to be found in reformed accounting, and not just getting angry.

And I believe that reformed accounting is within our reach.