

Funding the Future

Article URL

Published: January 12, 2026, 5:39 pm

The Corporate Accountability Network is publishing a document today concerning its [first proposed Corporate Accountability Standard](#), which is on taxation. I will be discussing this at the CAN's launch meeting in the boardroom of the Institute of Chartered Accountants in England and Wales this morning.

The location is appropriate, firstly because I am a member of the ICAEW and, more importantly, because the Corporate Accountability Network is being promoted to create alternative accounting standards as a direct challenge to those now in use as promoted by the International Financial Reporting Standards Foundation and other regulators who use those standards as the basis for their work.

There is a fundamental problem with existing accounting standards. The plethora of accounting failures in recent years has not just happened because of poor auditing, although that has contributed. The rules of accounting have also failed society, quite badly. This is because IFRS accounting standards are not fit for purpose.

This is unsurprising. Those standards have been written for the sole benefit of the providers of capital to a company, and then solely to inform the decisions that those providers of capital might make in financial markets. This actually makes the accounts produced using those standards almost irrelevant for the purposes of most companies that prepare such accounts, simply because most do not even operate in financial markets. It also means that the information needs of all other stakeholders of a company, including its trading partners, employees, regulators, tax authorities and the civil societies that host its activities, are ignored.

The Corporate Accountability Network intends to challenge existing accounting standards by issuing its own alternative standards, which will be called Corporate Accountability Standards. The first will be on taxation. The [discussion document](#) is intended to provoke debate, although we do have a large company that has said it may be willing to trial it.

As will be apparent from the summary included in this document, the aim is to produce standards fit for use by all stakeholders. The main recommendations are:

- Much enhanced tax governance and risk reporting;
- Mandatory country-by-country reporting;
- The separation of current and deferred tax accounting;
- Enhanced deferred tax accounting to assist investors;
- The extension of the accounting required for corporate income tax to VAT and sales taxes, PAYE and social security, and to extractive industry taxes as well as specific sector taxes to which a reporting entity might be liable;
- The treatment of all levels of government as reporting entities and so subject to the CAS with all its requirements applying to them, plus an additional requirement that they account for the taxes that they receive, including mandatory tax gap reporting;
- The consideration of the needs of all stakeholders of a reporting entity within the standard.

The result is a radically different approach to accounting standards. The objective is to make accounting and business responsible to all in society, which is appropriate given the enormous privilege of limited liability which most businesses enjoy, and which is granted at cost to everyone else in the communities that make it available.

This will, I hope, be the start of an ongoing debate that will be at the core of my work for a while to come. Accounting has to change. The Corporate Accountability Network will not have all the answers. It is, however, time that a civil society organisation existed to challenge the hegemonic view of the profession. That is what the Corporate Accountability Network intends to do and issuing Corporate Accountability Standards is the way we plan to do it.