Funding the Future

Is HMRC finally cracking down on big business tax abuse…

Published: January 13, 2026, 1:30 am

I noted this in the FT this morning, with interest:

The UK tax authority has opened multiple criminal investigations after probing whether large companies are wrongly paying less UK tax as a result of their cross-border financial arrangements.

HM Revenue & Customs opened a criminal investigation in connection with transfer pricing, under which businesses allocate profits between different countries, in 2018, the body told the Financial Times – the first occasion since the introduction of tighter legislation on the area six years ago. This has since grown to multiple live criminal investigations involving transfer-pricing disputes, HMRC added, although it declined to specify the exact number arguing this risked identifying the companies involved.

I have been arguing about the need to tackle transfer mispricing since 2003, when I created country-by-country reporting.

HMRC have now, of course, got that as a tool to help them make allegations in criminal cases, if appropriate. And, whilst I make it very clear that country-by-country reporting does not prove a transfer mispricing case, it can very strongly support the suggestion that there is systemic abuse from high to low tax jurisdictions both in a period and over time. In that case, I hope HMRC are using it for that purpose, because that was my intention.

And if that turns civil cases into criminal ones, that is all to the good. Only then will this abuse end, because no director wants to end up in the dock. It will only take a few to do so for the tax environment to change, quite radically.