

A step forward for tax justice

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As the [FT noted this morning](#):

A global deal to set a [minimum tax rate](#) for multinationals of 15 per cent achieved a big breakthrough last week, with the EU's promise to introduce the deal across member states expected to trigger a wave of implementation across the world.

Plans, tabled at the OECD in Paris, to implement a tax floor of 15 per cent were agreed by 136 countries in October last year. But progress in implementing the floor has been slow, with none of the signatories so far making the pledges law.

In the EU, viewed as key to making the tax work because of the large number of multinationals based in the region, Warsaw and Budapest had taken it in turns to block the legislation. But on Thursday, the Council of the European Union, which is made up of ministers from member states, approved a directive to introduce a minimum levy on large multinational businesses, ending months of fraught negotiations.

Most of the tax justice movement will have nothing to do with OECD and EU efforts to beat tax abuse now, claiming both are the enemies of progress on this issue.

Their objection is based on the western imperialism both, they say, embody. I too have no time for western imperialism. But unlike those who play student union politics, I am interested in real progress that can also be used to undermine post-imperial harm. I happen to think most of what the OECD and EU do fits this category well and this is an example.

Setting minimum tax rates is a step forward. I agree that it is not a big enough one, but it is progress nonetheless and is a base for further action. So, in the real world, this is a step forward for tax justice, whatever those seeking to undermine it might say.