

FOR IMMEDIATE RELEASE

LAPFF joins forces with Fair Tax Mark to issue tax strategy reporting assessment

The Fair Tax Mark and the Local Authority Pension Fund Forum (LAPFF) have found that the majority of FTSE 50 companies are not following Government and HMRC Guidance on tax strategy reporting in a prompt and rigorous manner.

London 14.00 (BST) The Local Authority Pension Fund Forum (LAPFF) has supported a [Fair Tax Mark study](#) into how well companies are reporting in line with a new UK regulation on tax. The new regulation requires large businesses operating in the UK to publish a UK tax strategy on an annual basis.

The initial findings are not encouraging. According to Paul Monaghan, Chief Executive of the Fair Tax Mark, “Progress to date is disappointing. There is an apparent reluctance amongst the UK’s largest companies to embrace the spirit of the tax transparency legislation and to respond quickly to the opportunity to provide much needed clarity in an area of significant concern to a variety of stakeholders.”

Meg Hillier MP, Chair of the Public Accounts Committee, has commented on the report, stating “Transparency in corporate tax is vital if the public are to have faith that the tax system is being supported by large corporations as well as ordinary working taxpayers. It’s incredibly disappointing that only 17 of the FTSE top 50 had sought to comply promptly with Government guidance. The corporate world needs to wake up to the fact that the public is fed up with the lack of openness over tax arrangements and endeavour to publish fully as soon as possible.”

However, not all reports miss the mark. Mr Monaghan has said, “Thankfully a small number of companies are bucking the trend and have not only implemented the Government’s tax transparency regulations promptly, but have voluntarily gone further and are disclosing vital information on their approach to tax havens and the country-by-country reporting of their results.” These companies are: Vodafone, SSE, Prudential and Legal & General.

Kieran Quinn, Chairman of Local Authority Pension Fund Forum, has said, “We would encourage the UK’s largest listed businesses to improve their tax transparency and lead the way for others. Explaining if and why a business will conduct activity in tax havens is now a basic requirement to build trust and credibility. Likewise, a shift toward public country-by-country reporting of profits and economic activity is needed if a business is to effectively communicate how and where it creates economic value.”

ENDS>

30 October 2017

About the Local Authority Pension Fund Forum

The Local Authority Pension Fund Forum (LAPFF), founded in 1991, is a voluntary association of 72 public sector pension funds based in the UK with combined assets of approximately £200 billion. It exists to ‘promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility



and high standards of corporate governance amongst the companies in which they invest.’
www.lapfforum.org. PIRC is the Research and Engagement partner to the Forum.

The Fair Tax Mark certification scheme was launched in February 2014 and seeks to encourage and recognise organisations that pay the right amount of corporation tax at the right time and in the right place. Tax contributions are a key part of the wider social and economic contribution made by business, helping the communities in which they operate to deliver valuable public services and build the infrastructure that paves the way for growth. Certified businesses include FTSE-listed plcs, co-operatives, social enterprises and large private business. We operate as a not-for-profit community benefit society and believe that companies paying tax responsibly should be celebrated, and any race to the bottom resisted. <https://fairtaxmark.net/> The research, production and dissemination of the Tax Strategy Report was kindly supported by a grant from the Network for Social Change and The Local Authority Pension Fund Forum (LAPFF).