



Fair Tax[®]

National Business Standard

Guidance Notes



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I. Foreword

Corporate income tax is the most critical of all taxes

Corporate tax contributions are a key part of the positive social and economic impact made by business. They help the communities in which they operate to deliver valuable public services and to build the infrastructure that allows business to thrive.

Tax avoidance and tax evasion have become prominent concerns across much of the world. However, corporate income tax is much more than a revenue raiser for public services. It is crucial to fair business competition, improved national productivity and reduced inequality.ⁱ

Responsible businesses are proud to pay their fair share of tax and appreciate what they receive in return. Be they big or small, businesses all over the world are striving to do the right thing; seeking to abide by both the spirit as well as the letter of tax law. A growing number are now going further and are publicly championing responsible tax conduct; with many linking their tax contributions to the attainment of the UN Sustainable Development Goals.

It is still the case that close to 40% of multinational profits (c.\$1 trn) are artificially shifted to tax havens each year, leading to a \$225bn reduction in corporate income tax revenue.ⁱⁱ

At the same time, small business tax avoidance and evasion is a real and substantive issue. Business ethics is not a function of corporate size. There are good and bad actors in both large and small business.ⁱⁱⁱ

Significant progress has been made. The decades-long global race to the bottom in corporate income tax has not only reached its nadir but is now beginning to reverse.

The world needs ever more corporate champions to maintain and accelerate this progress. The world needs more Fair Tax Mark certified businesses.

Responsible businesses are proud to pay their fair share of corporation tax and appreciate what they receive in return. As the World Bank points out:

- quality infrastructure is critical for the sound functioning of an economy;*
- a healthy workforce is vital to an economy's competitiveness and productivity; and*
- a basic education increases the efficiency of each worker, while good-quality higher education and training allow economies to move up the value chain beyond simple production processes and products*

Fair Tax Mark – standing out from the crowd

In the same way that the Organic, Fairtrade and Living Wage labels allow business to differentiate their products and operations, the Fair Tax Mark label provides progressive companies with a tool to demonstrate responsible tax conduct to their customers and wider stakeholders.

Businesses of every size and shape are increasingly using the Fair Tax Mark label to demonstrate they pay the right amount of corporate income tax at the right time and in the right place – following both the spirit of the law and the letter of the law.

Fair Tax Mark certification:

- Signals to customers and employees that a business is committed to being a leader in responsible tax conduct and corporate tax transparency
- Is a trusted label that complements other social accreditations and helps evidence a business's deep commitment to corporate social responsibility and the UN Sustainable Development Goals
- Enables business to stay ahead of the curve on best practice and new legislation
- Bolsters good corporate governance in the eyes of investors and regulators
- Supports engagement with municipalities on public procurement

It is no longer enough for a business to claim that their tax conduct is acceptable as long as they are not breaking the letter of the law – in the same way that such a narrow framing of impact would be frowned upon if it was to be deployed with environmental and human rights considerations.



Fair Tax Mark certification – the gold standard of responsible tax conduct

The [Fair Tax Foundation](#) launched in 2014 and operates as a not-for-profit social enterprise. Originally, we had a United Kingdom focus. This changed in 2021, when we internationalised our activities with the launch of our Global Multinational Business Standard.

Via our [Fair Tax Mark](#) certification scheme, we seek to encourage and recognise businesses that pay the right amount of corporation tax, at the right time, and in the right place. We believe that businesses that pay their taxes willingly, fairly and transparently should be celebrated and rewarded. This includes those who operate legitimate tax planning that embraces both the spirit and letter of the law.

The main focus of the Fair Tax Mark's consideration is corporate income tax. Businesses are subjected to many different types of tax, but corporate income tax has an importance way beyond the revenues it raises. The Fair Tax Mark certification standards are based on the following principles.

A business should:

- pay the right amount of tax in the right place at the right time, according to both the letter and the spirit of the law;
- provide sufficient public information to enable its stakeholders to form a rounded and informed view of its beneficial ownership, corporate tax conduct, financial performance and economic impact; and
- say what they pay with pride.

Our requirements are, in large part, driven by the belief that 'transparency' encourages, and helps business demonstrate, responsible tax conduct.



II. National Business Standard

Development of the National Business Standard

The internationalisation of the Fair Tax Mark has been driven by a combination of:

- approaches from businesses seeking certification;
- requests from civil society and local municipalities asking that certification be available in their jurisdiction; and
- investors calling for the widest possible universe of companies to be eligible for certification.

Initially, the Fair Tax Mark certification was only available to businesses headquartered in the United Kingdom, but this was extended internationally to multinational enterprises in 2021, with the launch of the 'Global Multinational Business Standard'.

The launch of this National Business Standard enables businesses from all over the world that have a turnover exceeding €1mn, but which only operate in a single country, to now also be certified for the first time.

Within the National Business Standard, businesses are awarded points in 13 areas, up to a potential total score of 32 points.

A score of 21 and over can be awarded a Fair Tax Mark.

Assessment is split into four areas:

- | | |
|--|--------------------------|
| 1. General transparency | (eight points available) |
| 2. Tax policy, governance and compliance | (nine points available) |
| 3. Tax note disclosures | (ten points available) |
| 4. Tax contribution | (five points available) |



We have provided << ADVICE AND TIPS >> in each of the four areas to help business focus on the core essentials that are needed for it to 'get over the line' and secure a Fair Tax Mark label.

Put simply, to secure a Fair Tax Mark, a business should demonstrate a substantive commitment to responsible tax conduct, financial transparency and beneficial ownership disclosure. There should be a binding tax policy that explicitly shuns artificial and aggressive tax avoidance, and no recent evidence of contradicting activities.

The law treats business differently, depending on their size and location. Our standards reflect this. Weightings reward performance in the most material and tasking areas, but with the overall pass percentage maintained at a 65% threshold in each standard.

The vast majority of points granted within the National Business Standard relate to policy, governance and transparency. However, the tax rate contribution made by a business over several years is also a core component of all the Fair Tax Foundation's standards. Feedback has indicated a strong desire from civil society for us to assess this. There are, of course, many good reasons why a business may not pay headline tax rates over a given period – for example, it may be loss-making at times, or legitimate tax reliefs are being claimed within both the spirit and letter of the law. Our standards have been designed to ensure that such businesses can still comfortably secure a Fair Tax Mark, but additional explanatory disclosures are needed.

Ideally, additional disclosures that are precipitated by Fair Tax Mark certification should be presented in a business's Annual Report and Accounts. However, it is equally acceptable for a business to experiment with other communication channels (e.g., via bespoke publications and dedicated website areas).

As of 2026, our full suite of Fair Tax Mark standards are:

Global

- Global Multinational Business Standard (available in Spanish also)
- National Business Standard

United Kingdom

- Solely UK-based Business Standard
- UK Small Business Standard (turnover of £1mn or lower)^{iv}



Please see [Fair Tax Mark Standards and Guidance Notes](#) for more details.

Progressing Fair Tax Mark certification against the National Business Standard

The National Business Standard enables businesses from all over the world that have a turnover exceeding €1mn, but which only operate in a single country, to be certified.^v

These guidance notes set out what the Fair Tax Foundation are seeking to assess, how we score corporate activity, and why.

Progressing Fair Tax Mark certification is a straightforward and confidential annual process. After an enquiry is received, an expert Fair Tax Foundation assessor will quickly confirm timescales and fees with a business. Recent financial statements will be reviewed by us, together with connected public communications and anything else that is relevant.

A draft scorecard is presented (see IV), which highlights how well the business currently performs against the National Business Standard, together with suggested areas of improvement that would make the attainment of a Fair Tax Mark label possible.^{vi}

Discussion then ensues between the assessor and the business, an improvement plan is hopefully agreed and a final scorecard issued.

The business is then able to use the Fair Tax Mark label publicly (following the issuance of a licence agreement). We work with you to announce your certification. Together, we'll celebrate your achievement and share the good news.



We are lenient in some areas in the first cycle of certification, as long as there is a solid commitment to improvement in the near future.

Please see [How to get the Fair Tax Mark](#) for more details.

III. Assessment criteria

AREA 1: GENERAL TRANSPARENCY

In order that stakeholders can form a rounded and informed view of a business's tax conduct, it is necessary for them to have ready access to detailed contextual information.

Such 'General Transparency' disclosures should include disclosures in the following areas: financial statements, nature of business activity, place of trading, beneficial ownership and corporate governance.



<< ADVICE AND TIPS >>: The disclosure of a full set of financial statements and beneficial ownership account for six of the eight points available in this section.

1. Financial statements

Does the business make freely available, on an annual basis, a full set of financial statements (including statements of profit or loss, financial position and cashflows)?

Scoring and rationale [three points available]

Three points are awarded if the business makes freely available, on an annual basis, a full set of financial statements.^{vii} This must include a statement of profit or loss (sometimes referred to as an income statement) and a statement of financial position (sometimes referred to as a balance sheet), together with detailed explanatory notes. A cashflow statement should, ideally, also be included.

These financial statements should be made available via a free-to-use publicly accessible national registry or the business's website. Ready access by stakeholders to this information is essential to the formation of a baseline understanding of a business's financial presence and impact. It also provides the background to any subsequent consideration of tax conduct and contribution.

Some countries require a full set of accounts to be filed at a national or local business registry, regardless of business size (e.g., Denmark and India). In others, no filings at all are required by small business (e.g., Switzerland and the United States). Some jurisdictions sit in the middle (e.g., Belgium, Ireland, the Netherlands and the United Kingdom) and allow small business to file abridged accounts – which may be nothing more than an abridged balance sheet statement.^{viii} These provide little or no information on income, profits and taxes paid. The Fair Tax Foundation believe strongly that small business (including micro-entities) should publish the fullest set of financial statements. This not only aids curtailment of illicit financial flows and tax avoidance, but enhances

the ability of markets to operate more optimally – as suppliers, creditors, consumers and other stakeholders are better informed in their decision-making.

The provision to stakeholders, upon request, of a paper-based Annual Report and Accounts is not considered to constitute 'freely available'.

2. Nature of business activity

Is clarity provided on the nature of business activity?

Scoring and rationale [half a point available]

Half a point is awarded if the nature of the business's trading activity(ies) is detailed within the publicly available Annual Report and Accounts or on its website. The amount of public information required by law on this issue is generally very limited. However, understanding what a business does is essential to forming a rounded view of its economic impact – this includes a description of operations and principal activities.

3. Trading location

Is clarity provided on the primary trading address?

Scoring and rationale [half a point available]

Half a point is awarded if the primary place of trading (otherwise known as principal place of business) is disclosed within the publicly available Annual Report and Accounts or on its website. Often, the only address that a business is required to disclose on public record is that of its registered office, but this registration address may not be operationally functional. The primary place of trading / principal place of business is needed in order that stakeholders have a robust contact point for engagement.

If the primary trading address and registered address are one and the same, then this should be made clear.

4. Beneficial ownership

a) Are the beneficial owners of shareholdings of 10% and above disclosed? (two points)

b) Are all related party transactions transparent? (one point)

Note: In addition to direct ownership, beneficial ownership is taken to include persons with significant control and trust beneficiaries. One point is available for disclosures of 25% and above.

Scoring and rationale [three points available]

Two points are awarded if the business clearly identifies each beneficial owner with a shareholding of 10% or more, either within the publicly available Annual Report and Accounts, at an easily accessible national registry or on its website. If the owner is a business or trust (including employee ownership trusts), the ownership must be traced through that business or trust to the real people who benefit from those entities (until the ultimate beneficial ownership of the business is made clear).

Any additional natural persons with significant control or politically exposed persons must also be clearly identified. As must trust beneficiaries, if applicable.

Anonymously owned companies are one of the key tools used by money launderers and tax evaders alike, with opaqueness allowing them to hide illicit gains and taxable assets from law enforcement and tax inspectors.^{ix} Moreover, making beneficial ownership public is good for fair competition, allowing companies to know who they are doing business with.

Some businesses, such as co-operatives, social enterprises and companies limited by guarantee, may be structured in a manner that renders the question of beneficial ownership redundant. For example, they may have customer members that have no effective economic beneficial ownership. In these cases, if the business is transparent about its legal form, ownership structure, governance and business model, then equivalent points will be awarded.

A further point is awarded for full disclosure of related party transactions (or confirmation that there are no related party transactions). Transparency should include transactions and outstanding balances with the business's related parties (be they close personal relations or corporate entities^x), together with confirmation that arm's length terms prevail.

5. Corporate governance

Are the names and addresses of all directors provided; and is the country of residence of directors clear?

Scoring and rationale [one point available]

Half a point is awarded if the names and addresses of all directors are provided, either within the publicly available Annual Report and Accounts, at an easily accessible national registry or on its website. Correspondence / service addresses are admissible.

A further half a point is awarded if the country of residence of directors is discernible, either within the publicly available Annual Report and Accounts, at an easily accessible national registry or on its website.

Openness as to who is governing and managing a business, and where it is controlled from, are key components to providing accountability and building trust.

AREA 2: TAX POLICY, GOVERNANCE AND COMPLIANCE

Every business operates a tax policy* even if this has never been explicitly recorded; otherwise, it could not manage its day-to-day affairs competently

A growing number of countries now require large businesses to formulate and publicly disclose a tax policy (e.g., the United Kingdom) or approach to tax (e.g., Australia and Spain). Several national stock exchanges – through corporate governance codes and sustainability disclosure guidance – are also pressing listed businesses to be more transparent about their approach to tax (for example, in Denmark, the Netherlands and South Africa).

Progressive businesses can be expected to go further than pledges around basic legal compliance and tax evasion. Not least as such a lowest common denominator approach would be unthinkable in other areas of corporate responsibility, such as environmental protection or human rights.

** The term 'tax policy' encompasses a bona fide tax policy and / or an accompanying tax strategy.*



<< ADVICE AND TIPS >>: The production of a public tax policy that provides clear commitments on responsible tax conduct accounts for seven of the nine points available in this section.

6. Public tax policy

Does the business publish a tax policy?

Note: can either be in the form of a tax policy or tax strategy.

Scoring and rationale [two points available]

Two points are awarded for making available the business's tax policy, either within the publicly available Annual Report and Accounts or on its website.

A tax policy should, as a bare minimum, commit to legal compliance. It should also set out the business's approach to governance, internal control and risk management. The policy must apply to the parent and all entities therein.

7. Tax governance

Has the business nominated a named board director to have responsibility for its tax policy?

Scoring and rationale [one point available]

One point is awarded for the public nomination of a named board director to have responsibility for the business's tax policy, either within the publicly available Annual Report and Accounts or on its website. Half a point will be awarded where a board sub-committee has been assigned explicit authority and the participants are clear.

Strong governance frameworks facilitate the effective implementation of policy within a business. Board oversight is essential for robust governance. The designation of a named board director provides solid accountability and demonstrates how serious the business views responsible tax conduct.

8. Tax compliance

Does the business report annually on its effective compliance with its tax policy?

Scoring and rationale [one point available]

One point is awarded for confirmation of policy compliance over the most recent annual cycle, either within the publicly available Annual Report and Accounts or on its website.

This demonstrates that monitoring is active and that the tax policy is firmly embedded within the business's systems of governance and internal control.

9. Tax policy commitments

Does the business's public tax policy explicitly embrace the following commitments:

a) follow the spirit as well as the letter of the law, and to only claim tax reliefs in relation to genuine commercial activity and in the way that they were intended to be claimed (two and a half points).

b) to not engage in any artificial or aggressive tax planning that results in the business's tax liability being artificially and/or aggressively reduced (two and a half points).

Note: public statements against the artificial use of tax havens, and in favour of declaring profits in places where the real economic substance is located, will be scored positively.

Scoring and rationale [five points available]

The tax policy of a Fair Tax Mark certified business would be expected to have much higher aspirations than mere legal compliance and the forgoing of tax evasion.

Five points are awarded if the public tax policy explicitly commits: to follow the spirit as well as the letter of the law; to only claim tax reliefs in relation to genuine commercial activity; to shun artificial and aggressive tax avoidance.

For the first year of certification only, these commitments can sit outside the tax policy and be generally detailed in the Annual Report and Accounts or on the business's website.

The following are examples of commitments that would score positively:

- adhere to the letter, as well as the spirit, of tax law;
- claim tax reliefs in line with their intended purpose and which reflect genuine commercial activity;
- shun artificial arrangements which have little or no commercial purpose other than the reduction of tax;
- tax planning shall be based on genuine commercial activity;
- not apply tax reliefs aggressively; and
- forgo the use of marketed or abusive tax avoidance schemes that are likely to fall foul of the domestic tax avoidance legislation of the country in which the business is operating within.

AREA 3: TAX NOTE DISCLOSURES

International financial accounting standards^{xi} stipulate that financial statements should include an annual tax note to explain a company's income tax charge for the year. This generally breaks down the income tax charge (also called a total tax charge) into current and deferred tax^{xii}, and reconciles the effective tax rate (ETR) of the business to the applicable headline rate. Often, these tax notes provide the bare minimum of detail and context.

The Fair Tax Foundation believe it is important for a business to provide detailed explanation of the current tax charge that has been reported, and any shortfalls from the theoretical current tax provisions that might be expected if the headline tax rate was to be applied to the business's accounting profits.

There will often be a variety of good reasons why a business's income tax charge and ETR does not exactly match the headline rate; for example, legitimate tax reliefs are being claimed within both the spirit and letter of the law. These impacts should be unpacked in a numerical reconciliation table, together with an accompanying explanatory narrative for each substantive item.

Many businesses set out a 'total tax charge' reconciliation table, but the Fair Tax Mark asks that a 'current tax' reconciliation also be provided.

A deferred tax note is also advocated, which explains the balance of assets and/or liabilities, expected timings of their materialisation and any uncertain tax positions that may exist. If the business has no deferred tax provisions, then this should be clearly stated.

The expanded tax notes should ideally be disclosed within the publicly available Annual Report and Accounts. However, it is permissible for additional disclosures to be housed elsewhere on the business's website or within 'tax transparency' documentation.



<< ADVICE AND TIPS >>: The production of a current and total tax reconciliation table, with clearly defined reconciling items and accompanying narrative, accounts for seven of the ten points available in this section, as explained below.

10. Current Tax numerical reconciliation

a) Does the business provide a numerical reconciliation of its current tax charge, and compare this with the current tax provisions that might theoretically be expected if the headline tax rate was to be applied to the business's accounting profits? (two points)

b) Does the business reconcile its current tax charge with its total tax charge for the year, by offering a reconciliation that explains the deferred tax movements for the year and any other items that make up the difference? (one point)

Note: two bonus points awarded if at least 75% of the reconciling items are precisely described – e.g., using such phrases as 'The impact of accelerated tax depreciation'. Terms such as 'Other' or 'Losses' (without further explanation being provided) do not qualify in this respect. (two bonus points)

Scoring and rationale [five points available]

Up to five points are awarded, depending on the detail of the numerical tax reconciliations provided – with emphasis given to the need for a detailed current tax charge reconciliation.

A numerical tax reconciliation note should be included in the financial statements, which explains in detail the difference between the current tax charge and the theoretical current tax provisions that might be expected if the headline tax rate in the business's home jurisdiction was to be applied to its accounting profits.

The reconciliation should be specific in the matters it refers to and not rely on vague descriptions. To this end, at least 75% of the reconciling items should be precisely described – e.g., using such phrases as 'The impact of accelerated tax depreciation' or 'Tax-exempt gain on business disposal'. Terms such as 'Other' or 'Losses' (without further explanation being provided) do not qualify in this respect.

The expanded tax notes should ideally be disclosed within the publicly available Annual Report and Accounts. However, it is permissible for additional disclosures to be housed elsewhere on the business's website or within 'tax transparency' documentation.

11. Current Tax narrative explanation

Does the business provide a narrative explanation as to why its current tax charge differs from the theoretical provisions that might be expected if the headline tax rate was to be applied to the business's accounting profits?

Scoring and rationale [two points available]

Two points are awarded for the provision of a narrative explanation which explains in detail the difference between the current tax charge and the current tax provisions that might theoretically be expected if the headline tax rate were applied to the business's accounting profits.

This narrative should refer to all the major items in the numerical reconciliation (see Q10) and explain what they mean, why they have arisen and what their consequences might be.

The narrative explanation should also be specific in the matters it refers to and not rely on vague descriptions. The expanded tax notes should ideally be disclosed within the publicly available Annual Report and Accounts. However, it is permissible for additional disclosures to be housed elsewhere on the business's website or within 'tax transparency' documentation.

12. Deferred tax

Does the business provide a deferred tax note that:

- a) explains the deferred tax balance with significant precision such that the cause of at least 75% of the underlying asset and / or liability items are clearly described? (one point)
- b) states clearly when the underlying assets and / or liabilities are likely to have an impact on the business's tax bill, or a statement that this is not known because it is more than five years after the balance sheet date? (one point)
- c) discloses the existence and numerical value of any uncertain tax positions that may exist, and the process of determination? (one point)

Note: if uncertain tax positions considered, none exist, and this is stated, then one point awarded.

Scoring and rationale [three points available]

Two points are awarded for a detailed public explanation of the business's deferred tax balance, including how and / or when underlying items are likely to impact the business's current tax provisions and cash taxes paid. This should be undertaken with sufficient detail such that 75% of the assets and / or liabilities underlying the deferred tax balance are clearly explained. This should include both a numerical breakdown and narrative explanation. For a business that does not account for deferred taxes, this should be clearly stated.

A further point is awarded for determination and disclosure of uncertain tax positions (UTPs), should these exist. The determination of UTPs is now a requirement of medium and large businesses that are captured by international accounting standards^{xiii}, with obligations to report these to tax authorities and / or within financial statements. When a business files its corporate income tax returns, it will apply judgements relating to the tax treatment of specific elements included within those returns. A UTP arises where there is uncertainty over whether the relevant tax authority will accept the tax treatment under local tax legislation. This could impact the value of deferred tax provisions, as well as current tax and cash tax positions.

The total numerical value of the UTPs, and whether this value includes potential interest and penalties, is required. If uncertain tax positions are not a material consideration, or it has been determined that none exist (and this is stated), then one point is awarded.

The expanded deferred tax note and any UTPs should ideally be disclosed within the publicly available Annual Report and Accounts. However, it is permissible that it be housed elsewhere on the business's website or within 'tax transparency' documentation.

AREA 4: TAX CONTRIBUTION

The vast majority of points that are available within the National Business Standard relate to policy, governance and transparency, and a business can comfortably secure a Fair Tax Mark while making little or no tax contribution over a given period (as long as policy, governance and reporting are exemplary, and conduct falls within the spirit of tax law).

However, feedback from stakeholders (in particular, civil society groups) favours recognising cash tax contributions made as well. When looked at over time, cash taxes paid (termed the 'long-run cash effective tax rate' in academic studies^{xiv}) provide the best available data for tracking tax rate and deviation from the expected headline rate of tax. Over time, they are a far more accurate means of measuring 'contribution' than total tax accounting accruals (i.e., what is commonly referred to as the 'effective corporate tax rate'): not least as the latter include deferred tax provisions that may never materialise as cash taxes paid. Even the current tax charge may differ substantially from cash taxes ultimately paid in connection with a reporting period, given the impact of: management estimation; unsettled disputes with tax authorities; and, the requirements of accounting standards in areas such as discontinued operations and employee share options.^{xv}



<< ADVICE AND TIPS >>: Don't be overly concerned if your business is contributing little or no tax for entirely legitimate reasons. Concentrate on explaining 'why' and picking up points in areas one to three.

13. Tax contribution

In comparison to the expected corporate income tax ("CIT") rate, is the business's average tax rate over the last five years:

- 90% or more of the expected CIT rate (five points)
- 70% – 89.9% of the expected CIT rate (four points)
- 50% – 69.9% of the expected CIT rate (three points)
- 30% – 49.9% of the expected CIT rate (two points)
- 10% – 29.9% of the expected CIT rate (one point)

Note: the expected CIT rate may vary depending on jurisdiction, business activity/sector, size of entity, etc

Note: where cash taxes paid data is readily available, this will be used as the basis for tax contribution calculation. Otherwise, current tax accrued will be utilised.

Scoring and rationale [five points available]

Up to five points are awarded, depending on the average cash tax paid contribution over five years.

The cash tax paid data will be derived from the cashflow statement^{xvi}, and compared with the profit / loss over the same five-year period, to produce the business's 'long-run cash effective tax rate'. If the business does not produce a cashflow statement, then a breakdown of the income tax payments made by the business over the previous five accounting periods will need to be provided. This information will then be compared to the business's current tax provisions in order to note any significant and/or unusual differences.

If applicable, any withholding taxes suffered should be included in income tax paid figures, as per OECD guidelines.

If there are years in which the business makes a loss, the expected tax rate for those years may be dropped to 0%, depending on the overall position.

1) General transparency		
CRITERIA	SCORE	NOTES
1. Does the business make freely available, on an annual basis, a full set of financial statements (including statements of profit or loss, financial position and cashflows)?	/3	
2. Is clarity provided on the nature of business activity?	/0.5	
3. Is clarity provided on the primary trading address?	/0.5	
4. a) Are the beneficial owners of shareholdings of 10% and above disclosed? <i>Note: In addition to direct ownership, beneficial ownership is taken to include persons with significant control and trust beneficiaries. One point is available for disclosures of 25% and above.</i>	/2	
b) Are all related party transactions transparent?	/1	
5. Are the names and addresses of all directors provided; and is the country of residence of directors clear?	1	
General transparency subtotal	/8	

2) Tax policy, governance and compliance

CRITERIA	SCORE	NOTES
<p>6. Does the business publish a tax policy?</p> <p><i>Note: can either be in the form of a tax policy or tax strategy.</i></p>	/2	
<p>7. Has the business nominated a named board director to have responsibility for its tax policy?</p>	/1	
<p>8. Does the business report annually on its effective compliance with its tax policy?</p>	/1	
<p>9. Does the business's public tax policy explicitly embrace the following commitments:</p> <p>a) follow the spirit as well as the letter of the law, and to only claim tax reliefs in relation to genuine commercial activity and in the way that they were intended to be claimed.</p> <p>b) to not engage in any artificial or aggressive tax planning that results in the business's tax liability being artificially and/or aggressively reduced.</p> <p><i>Note: public statements against the artificial use of tax havens, and in favour of declaring profits in places where the real economic substance is located, will be scored positively.</i></p>	<p>/2.5</p> <p>/2.5</p>	
<p>Tax policy, governance and compliance subtotal</p>	/9	

3) Tax note disclosures

<p>12. Does the business provide a deferred tax note that:</p> <p>a) explains the deferred tax balance with significant precision such that the cause of at least 75% of the underlying asset and / or liability items are clearly described?</p> <p>b) states clearly when the underlying assets and / or liabilities are likely to have an impact on the business's tax bill, or a statement that this is not known because it is more than five years after the balance sheet date?</p> <p>c) discloses the existence and numerical value of any uncertain tax positions that may exist, and the process of determination?</p> <p><i>Note: if uncertain tax positions considered, none exist, and this is stated, then one point awarded.</i></p>	<p>/1</p> <p>/1</p> <p>/1</p>	
<p>Tax note disclosures subtotal</p>	<p>/10</p>	

4) Tax contribution

CRITERIA	SCORE	NOTES
<p>13. In comparison to the expected Corporate Income Tax (CIT) rate, is the business's average tax rate over the last five years:</p> <ul style="list-style-type: none"> - 90% or more of the expected CIT rate (five points) - 70% - 89.9% of the expected CIT rate (four points), - 50% - 69.9% of the expected CIT rate (three points) or - 30% - 49.9% of the expected CIT rate (two points) - 10% - 29.9% of the expected CIT rate (one point) <p><i>Note: the expected CIT rate may vary depending on jurisdiction, business activity/sector, size of entity, etc.</i></p> <p><i>Note: where cash taxes paid data is readily available, this will be used as the basis for tax contribution calculation. Otherwise, current tax accrued will be utilised.</i></p>	/5	
Tax contribution subtotal	/5	
Total	/32	

V. About the Fair Tax Foundation

The [Fair Tax Foundation](#) launched in 2014 and operate as a not-for-profit social enterprise. We believe that companies paying tax responsibly should be celebrated, and any race to the bottom resisted.

The [Fair Tax Mark](#) certification scheme, the gold standard of responsible tax conduct, seeks to encourage and recognise organisations that pay the right amount of corporate income tax at the right time and in the right place.

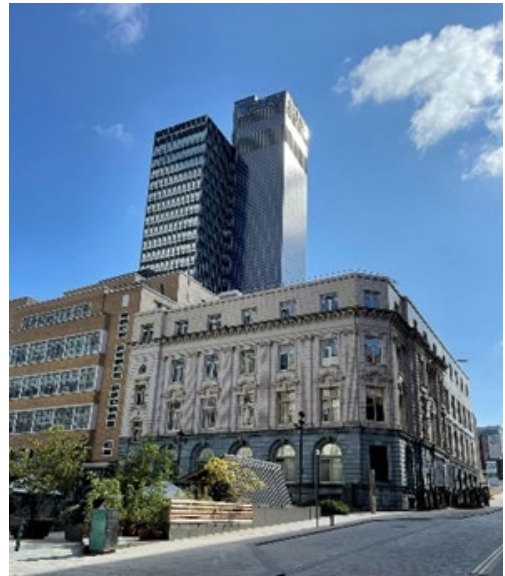
[Certified businesses](#) range from small owner-managed businesses to multinational corporations, and include publicly listed companies, co-operatives, social enterprises and large private business.

Initially, the Fair Tax Mark certification was only available to businesses headquartered in the United Kingdom, but this was extended internationally to multinational enterprises in 2021, and then worldwide to national enterprises in 2026, with the launch of this 'National Business Standard'.

The Fair Tax Mark certification standards are based on the following principles. A business should:

- pay the right amount of tax in the right place and at the right time, according to both the letter and the spirit of the law;
- readily provide sufficient public information to enable its stakeholders to form a rounded and informed view of its beneficial ownership, tax conduct, financial performance and economic impact; and
- say what they pay with pride.

Additional initiatives include the [Tax Responsibility and Transparency Index](#), Fair Tax Week and the Councils for Fair Tax Declaration.



VI. Endnotes

ⁱ Tax evading corporate 'cheats' enjoy a potentially large implicit subsidy that allows them to stay in business despite low productivity. As a result, these 'cheats' gain market share even if they are less productive, reducing the market share of more productive, tax-compliant businesses. Productivity gaps between firms that comply with existing taxes and regulations and those which do not are significant, and these large gaps can translate into depressed economy-wide productivity and growth. As set out in detail at [Why corporate income tax is the most critical of all taxes](#).

ⁱⁱ Atlas of the Offshore World (November 2024). See <https://atlas-offshore.world/>

ⁱⁱⁱ For example, the largest portion of the United Kingdom's tax gap (the difference between tax due and tax received) has been attributed to small business. See [Why small business tax dodgers should be as big a concern as big business tax avoidance](#).

^{iv} Please note: the certification of micro-enterprises is currently only available in the United Kingdom, but we have plans to extend this globally in 2027.

^v The National Business Standard has been designed for listed and private business groups that operate in a single tax jurisdiction. The term 'business' in this context refers to a consolidated group of companies at the highest level, or a standalone organisation that has no parent company or subsidiaries. This Standard cannot be used to assess an isolated subsidiary company separate from the ultimate parent entity and the consolidated group.

^{vi} The vast majority of businesses that pursue Fair Tax Mark certification need to make improvements to their tax policy and / or tax note disclosures in order to secure a Fair Tax Mark label. A minority will be able to 'pass' immediately – usually because they have already expended considerable effort communicating that they take corporate tax responsibility seriously. However, even such leaders tell us that they welcome and value the detailed extra feedback they receive during the Fair Tax Mark assessment process.

^{vii} For example, "full", as set out in IFRS' International Accounting Standard (IAS) 1.

<https://www.ifrs.org/issued-standards/list-of-standards/ias-1-presentation-of-financial-statements/>

^{viii} For example, in Belgium, Ireland, the Netherlands and the United Kingdom.

^{ix} By using intricate chains of companies, foundations, partnerships, trusts and similar entities across jurisdictions, the true identity of those who ultimately control the assets – the beneficial owners – can be obscured. This anonymity can be further amplified through mechanisms like bearer shares, nominee shareholders and directors, and the strategic use of entities such as shell companies and inactive corporations. As a result, the ability of tax authorities and other law enforcement agencies to identify the true beneficial owners is significantly hampered. See [OECD \(2024\), Beneficial Ownership and Tax Transparency – Implementation and Remaining Challenges: OECD and Global Forum Report to G20 Finance Ministers and Central Bank Governors](#).

^x For example, "related party", as set out in IFRS' International Accounting Standard (IAS) 24. A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. <https://www.ifrs.org/issued-standards/list-of-standards/ias-24-related-party-disclosures/>

^{xi} See IFRS (2026): [IAS 12 Income Taxes](#).

^{xii} There are instances where micro-enterprises are prohibited from recognising deferred tax (e.g., in the United Kingdom). However, these are the exception not the rule. [IFRS for SMEs](#) requires business to give enough information on current and deferred tax for the accounts to give a true and fair view.

^{xiii} Such as [IFRIC 23](#) and [ASC 740](#).

^{xiv} For example, focussing on this metric allows for a better understanding of factors that give rise to 'book-tax differences' over a period, such as employee stock options and movements in the tax contingency reserve. See Dyreng, S., Hanlon, M., & Maydew, E. (2008). Long-run corporate tax avoidance. *The Accounting Review*, 83, 61–82.

^{xv} We recognise that cash tax payments are 'net' and may not be precisely aligned with the relevant reporting period, but when looked at over five years this discrepancy becomes marginal.

^{xvi} Cash taxes paid will include: domestic, foreign and state and local payments; as well as settlements relating to prior years.

Fair Tax Foundation

Holyoake House
Hanover Street
Manchester
M60 0AS

fairtaxmark.net
info@fairtaxmark.net

+44 (0)161 250 6595



Fair Tax[®]
Foundation