

# TITILLATED BY TAX

Paying tax hurts. But not paying it could see the CFO wind up in handcuffs. Now there's a thought...

Words: **Andrew Sawers**

“What,” the CFO asked, “should our corporate tax strategy be?” It's always nice to be asked, the treasurer thought, especially since the tax director was busy drooling over his Tolley's. But a bit more advance notice next time would be nice, thanks. No, don't go away, I'm sure we can think up something.

“It seems to me,” the treasurer said after a moment, “that there are two essential components of a successful tax strategy.” The CFO got terribly excited, removing a small notebook and pen from his jacket pocket. One half-expected him to lick the end of his pen in anticipation.

“Firstly, pay it.” And the CFO started to write that down. “Secondly –” and at that the CFO looked up, utterly startled like a rabbit caught in headlights, astonished that the first component of a successful tax strategy should encompass no more than two words, neither of which was more than three letters long. Anything that can be boiled down to just two monosyllabic words makes a mockery of the PowerPoint presentation.

Furthermore, it sharply reduces the CFO's opportunity to put on a whole ‘juggle the jargon’ performance in front of the board. Worst of all, binomial brevity exponentially increases the chances that the board will have failed to be so utterly bowled over by fiscal gobbledeygook that it is rendered incapable of asking dangerous follow-up questions, such as “Can you explain that in more detail?” and “Why?” and “Have we actually been doing that?”

“OK, so, secondly –” said the CFO, recovering his composure, though much regretting having asked the question in the first place.

“Secondly,” the treasurer continued, “Don't screw up the compliance.” The CFO is a quick learner and made no attempt to start writing down Point Two until he was quite sure he had got it all.

“I was,” the CFO struggled to say, “looking for something a little more value-adding.” It's a fair point, but in the treasurer's experience, keeping one's CFO out of jail never fails to be a value-adding strategy, even if said CFO is as



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irritating as a nettle at a nudist colony – or even if, despite this column's advice last month, the treasurer harbours ambitions to succeed the CFO. Creating a vacancy by getting Beancounter Number One banged up rarely amounts to good career planning.

“What I'm saying is, don't muck about,” the treasurer explained. “Keep it simple, black and white, pay the taxes, and brag in the annual report about how many hospitals and schools and drop-in centres for distressed ukulele players the company's taxes have helped to finance.”

The CFO's face darkened and became more animated: “Wasn't our last bond issued

by our über tax-efficient Luxembourg subsidiary?”

“Er...” And here the treasurer did splutter somewhat. “Perhaps there are a few shades of grey...”

“Fifty shades of grey, what?” said the CFO. “Naughty boy. Naughty boy!” And with that, the CFO left, muttering about handcuffs. Whatever was he on about?

*\*Note: For the benefit of non-UK readers, Fifty Shades of Grey is an erotic novel written by British author EL James. Google it to find out more.*



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