

## Panama holds out

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[The Times](#) has reported:

*Faced with the growing hostility of politicians, some tax havens quickly crumbled under the pressure.*

*But while countries such as Switzerland have bowed to demands to end the era of "no questions asked-banking", Panama is digging in its heels and touting for business as one of the few places where money can still be safely stowed away.*

*Leading tax advisers report that lawyers from the republic â€šÃ„Ã® which has so far failed to make good on promises of greater transparency â€šÃ„Ã® have been e-mailing them to highlight its credentials as one of the last remaining tax havens.*

One such firm is, apparently, Panama Legal who run about as abusive [a web site](#) as it is possible to imagine. Here is the evidence, if evidence were needed that lawyers are promoting abuse of the law from places like Panama.

Let me put this in straightforward context. Tax havens are places. They provide the abusive law. Offshore financial centres are populated by lawyers, bankers and accountants. They sell corruption services using the laws created by tax havens. Together tax havens and offshore financial centres combine to create secrecy jurisdictions. Secrecy jurisdictions are places that intentionally create regulation for the primary benefit and use of those not resident in their geographical domain that is designed to undermine the legislation or regulation of another jurisdiction and that, in addition, create a deliberate, legally backed veil of secrecy that ensures that those from outside the jurisdiction making use of its regulation cannot be identified to be doing so.

We should not confuse the lawyers referred to in this article with Panama itself. The lawyers, bankers and accountants have enormous influence in these places, but they are not the same thing as the tax haven. This has to be remembered because they can be tackled separately. In addition, whilst sanctions will have little direct impact upon these offshore financial centres populated by what Prof Prem Sikka calls â€šÃ„Ã²the

pinstripe mafia' sanctions will have a very real impact on the countries themselves.

Now is the time to exploit this difference.

Sanctions have to hurt way beyond the financial servicers sector if this is to happen.

The financial services sector (often expatriate) have to be seen as the enemy of ordinary people within tax havens as well as in the world at large if this is to happen.

There is possible.

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*NB The Times has a quite interesting review called Your guide to the G20 blitz on tax havens*