

What next for tax havens – 1 – the EU Savin...

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First up on the broad agenda for tax haven reform that I'm now looking at will be the EU Savings Tax Directive.

Massive reform of this initiative was announced last November (search EU STD category for links to the right for links) — which by itself makes the OECD initiative pale into insignificance - is planned. As ever, there will be weaknesses. The withholding option will not go this time round, for example. Some loopholes will remain. I'm afraid. But there are real signs of progress:

- ? Trusts and companies will now be covered.
- ? Offshore trusts and companies will simply be looked through for EU STD purposes so that money in them is associated with the beneficial owner wherever possible. This shatters a great deal of offshore tax planning by EU citizens for good in a way the G20 has got nowhere near approaching.
- ? The cause of automatic information exchange is massively advanced.

This is enormously important. It could go through the European Commission as early as April. And progress to full openness will have made another massive step forward.

If anyone thinks that tax haven reform has ended they'd better think again. It's only just beginning.