

# It's silly season – except the IoD probably...

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According [to the FT](#):

*Britain should consider competing with tax havens because to beat them at their own game would be more constructive than trying to eliminate their use, according to the Institute of Directors.*

*The UK should relax tax rules for certain types of business — such as hedge funds — that find low-tax jurisdictions especially attractive, it says in a new paper. "If the UK's tax rules were amended, hedge fund assets could be held in the UK, with no overall loss and some gain to the exchequer."*

*The paper warns some obvious responses to low-tax countries would run counter to national sovereignty and indirectly damage the world economy. It said they could have positive roles to play, however, including putting pressure on normal-tax jurisdictions to have business-friendly regimes.*

Oh boy, it's summer. And the silly season is upon us. So the IoD buys the theory of tax competition in a moment of Pimms induced madness.

But it's time they woke up and realised there's only one legitimate authority with the ultimate right to "put pressure on normal-tax jurisdictions to have business-friendly regimes" — and that's the electorate of that state. Otherwise, in direct contradiction to their own argument about national tax sovereignty, these places are deliberately creating tax policies designed to undermine the tax regime of another state.

Now why is that apparently unacceptable when it is done to stop a secrecy jurisdiction promoting abuse behind a veil of secrecy but OK when done to bring down business tax rates in normal tax jurisdictions, with the burden of tax no doubt then being shifted onto ordinary tax payers.

Perhaps the IoD would like to justify their plainly warped and anti-democratic logic?