

ersey's secrecy used to hide investment in human..

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I blogged on Monday comment from the World Bank that [it is the opinion of many](#) that all the FATF inspired regulation of the world's secrecy jurisdictions will have delivered no benefit in reducing illicit financial flows: the dedication and commitment of the world's secrecy jurisdictions.

Then we got the news the IMF [has rated Jersey](#) the most compliant place with FATF requirements — which do not, note, deal with tax evasion.

And yesterday it was noted at the World Bank that Jersey does play a very off role in the world. How odd? Well take this as an example. Between 99.5% and 100% of all foreign direct investment in the following places is from Jersey:

- * Djibouti
- * Libya
- * Turkmenistan

Take Turkmenistan. This was [said of it](#) in March this year:

The Turkmen government should use the opportunity of today's UN review of its record on human rights to commit to a genuine reform agenda, Human Rights Watch said today.

March 19, 2009 is Turkmenistan's final session before the United Nations' global rights body, the Human Rights Council, under its Universal Periodic Review (UPR) procedure in Geneva. Human Rights Watch urged the Turkmen leadership to demonstrate the political will to improve its abysmal rights record by accepting and then carrying out all recommendations made during the review.

What about Djibouti. This [was reported in 2007](#):

The government's human rights record remained poor, and it continued to commit

serious abuses. Human rights problems included the abridgement of citizens' rights to change their government; abuse of prisoners and detainees; harsh prison conditions; official impunity; arbitrary arrest and detention; prolonged pre-trial detention; interference with privacy rights and restrictions on freedoms of press, assembly, and association.

And we all know about Libya.

So let's face the reality. As ever secrecy is not being used for benefit. It is being used for abuse. These investments are not in Jersey because of its wonderful tax or regulatory structure: they're there because no one wants to own up to investing in these places.

It is another of the crimes Jersey facilitates.

But then the place is set up for this purpose. My definition of a secrecy jurisdiction received praise here this week at the World Bank conference on illicit flows. It is:

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. They do 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.

It makes it clear to all: these places are set up to abuse. Jersey does.