

Funding the Future

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The [FT](#) has reported:

The global regulatory drive to force the biggest banks to pre-plan for their own demise will compel them to simplify their legal structures, potentially pushing up their tax bills, according to the head of the chief UK financial regulator.

In an interview with the Financial Times, Lord Turner backed international moves to force the big, systemically important banks to draw up “living wills”, wind-down plans in the event they fail.

But the chairman of the Financial Services Authority said this drive would also have the benefit of unravelling banks’ structural complexity used to minimise tax.

“Living wills will be a forcing device for the clarification and simplification of legal structures,” he said.

“In the past, authorities around the world have tended to be tolerant of the proliferation of complex legal structures designed to maximise regulatory and tax arbitrage. Now we may have to demand clarity of legal structure.”

He admitted that the reforms would be highly contentious.

Not with me.

I strongly support this move.

I hope politicians from all parties will do likewise.

And that responsible bankers will as well.