

The Politics Show – VAT and the Isle of Man

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I was on the Politics Show for the North West today talking about VAT and the Isle of Man. The programme [can be seen here](#) — start at about 37 minutes.

Please also read what I have written here — which explains the issues. It's a pity Tony Brown — the Isle of Man chief minister had not read this before talking. It's very obvious his knowledge of VAT is very limited.

I also think the programme quite extraordinarily inappropriate in suggesting people will die as a result of this. The Isle of man can afford — on the basis of its income per head — to supply health services as good as any in the UK. The developing countries of the world — who suffer directly as a result of its existence - cannot. It's ludicrous to suggest the Isle of Man should be subsidised when there is real poverty to be addressed elsewhere.

The arguments of those from the Isle of Man on the programme are blinkered, wrong, or plain selfish. As I said — if the Isle of Man wants to be a tax haven the least it can do is pay its own way as one. But to date it hasn't even done that — perhaps the ultimate in free riding.

And for those who disagree on the issue of transparency — [please see this report](#).

And does the Isle of Man support crime? Of course it does. To date it has not done automatic information exchange under the European Union Savings Tax Directive and as a result has hidden tax evaders from view — deliberately. They cannot argue, and even when they change — as they say they will — they know the opportunities for abuse are legion and, as Panorama showed recently, these opportunities are widely used. That is their intent because they are, without doubt a secrecy jurisdiction.

Secrecy jurisdictions are places that intentionally create regulation for the primary benefit and use of those not resident in their geographical domain. That regulation is designed to undermine the legislation or regulation of another jurisdiction. To facilitate its use secrecy jurisdictions also 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.

That's a perfect description of the Isle of Man.