

# Turks & Caicos - the destination for all tax havens wit...

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The Times [has reported \(from behind its paywall\)](#):

*The British taxpayer is to underwrite a loan of £160 million to support a Caribbean tax haven that is struggling to pay the salaries of its teachers, nurses, doctors and police.*

*The decision to provide financial support for a country that levies no income tax or capital gains tax, particularly during a period of severe austerity at home, has brought criticism.*

*The Government admits that there is a “risk”, particularly about ensuring that capital and interest repayments are made on time. But it believes it has a “duty” to intervene. The Turks & Caicos Islands, which have a population of 36,000, have been left on the edge of “financial ruin” by the global crisis. The deficit is \$55 million.*

*Britain seized control of the territory in 2009, ousting the elected premier amid claims of “systemic corruption”.*

*Alan Duncan, the Minister for International Development, said: “As a British Territory we have a duty to the people of Turks & Caicos. Without our support the islands will slide farther into economic crisis and will be more reliant on UK support in the long run.”*

*He said that the rescue package was likely to work and would support the islands without any additional cost to the British taxpayer. He said that action was necessary because the previous Labour Government had left a “mess” by failing to step in when it was clear that reliance on financial services made the country particularly vulnerable.*

On the other hand:

*Richard Murphy, director of Tax Research UK, said: “We are in the extraordinary situation that the British taxpayer is underwriting a loan to support a tax haven, which will take away our tax revenues. There is absolutely no sense to this. The condition of these loans must be that they strip these tax-haven practices.*

*" Brendan Barber, the General Secretary of the TUC, said: "The Turks & Caicos Government's failure to pay the wages of public servants shows the human cost of a country that prioritises jet-setting tax dodgers over its citizens. "*

OK, now you can see why I broke my habit of refusing to pay for the Times on line. But let's also get to the serious issues.

First, the Turks & Caicos are far from alone in being bust - so are Jersey, Guernsey and the Isle of Man - all of whom are running big deficits. Cayman, the Bahamas and Bermuda are also in the club. And as the report makes clear, they can be reckless because we carry the can. And they are being reckless as a result.

Second, if Labour was reckless for not intervening when reliance on financial services (which was actually relatively modest in the T & C's case) left the islands vulnerable then there is now an undoubted duty to intervene in Jersey, Guernsey, the Isle of Man, Cayman, the Bahamas and Bermuda. Check out the Tax Justice Network site on [secrecy jurisdictions for the](#) facts, [particularly here](#).

Third, who is going to ask how long it is before these other states come cap in hand for loans as well? Jersey has a deficit of [£100 million a year](#).

Fourth, why in that case are [Tories supporting their abuse?](#)

Last, Labour take note: there is action required here.