

Guernsey promotes new tax abuse

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[Tax-news.com](#) is proudly reporting that:

Guernsey's Commerce and Employment Department has launched a six-week consultation on the proposed new foundations law.

Foundations are, of course, most commonly associated with places like Liechtenstein, where of course there's never been any problem of any sort with any tax authority as a result of their use, as I'm sure Guernsey has carefully noted before saying:

"The launch of this consultation on the draft legislation is an important step towards the introduction of foundations into Guernsey law," said Peter Niven, Chief Executive of Guernsey Finance — the promotional agency for the island's finance industry.

"Our wealth management industry has grown a reputation for its high standards and significant expertise in using trust and company structures and the introduction of foundations will provide another tool for practitioners to meet the needs of clients. In particular, we expect the foundation structure will be attractive to clients based in civil law jurisdictions in Europe and also further afield in the emerging markets of China, Russia and Latin America where the trust concept is less familiar than in common law countries such as the US, Canada and the UK."

"I'm hopeful that by early next year Guernsey practitioners will be able to offer a foundation which enables clients to preserve and enhance their wealth and assets through a highly-regarded structure in a reputable jurisdiction."

Let's unpack that shall we?

Enhance their wealth = avoid their obligations to society laid down in law by not paying tax.

Highly regard structure = guaranteed to beat tax authorities.

Reputable jurisdiction = well known tax haven backed by the City of London now with

the implicit support of the UK government who [openly promote the interests of tax cheats](#).

And so the debasement of society goes on and we move ever closer to the break down in democracy, law and order.

But then, that's quite explicitly what tax havens or secrecy jurisdictions as I'd prefer to call them seek to do. After all, 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.

Guernsey seems to be going out of its way to prove the point.

Hat tip: Mark Morris