

The Isle of Man and Jersey create opacity - according t...

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A couple of weeks ago I presented evidence to the House of Lords Economic Affairs Committee. My evidence will be published shortly. This week Dave Hartnett also gave evidence to that committee, and at least in part on the same subject: employee benefit trusts. As [Accountancy Age reports](#):

[Hartnett] told the Lords Economic Affairs Finance Bill Sub-Committee: "Some of the offshore arrangements have been pretty opaque to us for some time."

Hartnett said: "It is not always possible to use the exchange of information provisions under treaties and other things to expose those."

The disclosure regime had done everything it could do "but where you have promoters outside the UK - there are a number of promoters of disguised remuneration schemes in the Isle of Man, in Jersey and in other low tax jurisdictions - the disclosure regime has no bite, and that has been the difficulty", he said.

So much for the claimed transparency of these places: that's shown to be a lie, as usual.

And of course the fact that they're secrecy jurisdictions is confirmed. By my definition 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. Unambiguously Hartnett is saying that is what the Isle of Man, Jersey and other low tax jurisdictions are.

So, let's be unambiguous, here we have the head of H M Revenue & Customs saying the Crown Dependencies and others are seeking to undermine the UK tax system.

So let's have no more claims from such places on their well regulated, open and transparent systems: the blunt fact is they're being used by some in the financial

services sector to undermine the UK tax system and in turn threaten the rule of law and the operation of the democratic mandate in the UK. That's what these places are about.