

The tax profession, tax havens and fraud: an ongoing sa...

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As [the Telegraph reports](#):

The Treasury has closed a tax avoidance scheme that could have cost £1.5bn after a tip off that artificial trading companies were being set up in tax havens.

Wealthy individuals were planning to use a long-standing “post-cessation trade relief” — designed for tradesman and professionals to offset legitimate costs against their income — to artificially reduce their tax bills.

It is understood that tax experts planned to raise fake expenditure requests from a tax haven that could be claimed against by individuals in the UK.

David Gauke, Exchequer Secretary, said the schemes would have put a “significant” amount of money at risk.

“It is unacceptable, at a time when we are trying to bring down the deficit, that there are those who try to avoid paying the tax they owe,” he said.

David Gauke and I don't often agree: on this one we do.

Let's not beat about the bush, what was proposed here was fraud.

Who proposed the fraud? Tax professionals did.

Where were they going to locate the fraud? In tax havens.

How were they going to get away with it? Because tax haven secrecy - the total opacity on the ownership, control and accounts of offshore companies that they provide - would have let them do so.

And you winder why I and the Tax Justice Network campaign against tax havens? They remain what they always have been, a home for fraud assisted by a pinstripe mafia of lawyers, accountants and bankers.