

Unless we close down tax havens we'll never regulate ca...

Published: January 12, 2026, 8:59 pm

From [the letters page of the Guardian this morning](#):

The euro is a great concept but was badly conceived, without a central bank or political, fiscal and economic harmonisation. But the greatest problem today is how to manage state finances when billions disappear into the world's tax havens thanks to the absence of any monetary controls and politicians granting their wealthy friends and multinationals all kinds of tax advantages and favours that have diluted tax revenues to the point where there is not enough in the kitty to maintain public services.

Even Paul Krugman has admitted that a return to temporary monetary controls could be an answer. With regard to Greece I would say that, in exchange for handing over more money, all Greek funds abroad in Switzerland or elsewhere must be returned. Then the same conditions should apply to the rest of Europe's member states. According to the Tax Justice Network, over a trillion dollars lies in offshore banks and companies in tax havens. Recover this money and governments could not only reduce their debts but pave the way for a lowering of taxes across the board to encourage investment and growth, and increase spending power for the majority.

Peter Fieldman
Madrid

Actually, we think [there are about \\$11.5 trillion dollars in tax havens](#). **It may well be more.**

But Peter Fieldman is right: tax havens were deliberately created to subvert regulation. I call them secrecy jurisdictions. 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.

Unless we tackle that abuse we can't win the fight against abuse, and nor can we preserve democracy.

The biggest proponents of tax havens world wide are the Big 4 firms of accountants. [That's why I said yesterday:](#)

I've long argued the four biggest threats to democracy in the world are PWC, KPMG, Deloitte and Ernst & Young because they are, together, the biggest global network designed to undermine the revenues of democratically elected governments with intent to ensure that those governments can't command the resources needed to deliver the services their electorates want and expect which action on their part has to surely undermine democracy and faith in it faster than anything else could.

These firms are, literally, by promoting these places taking away our democratic freedoms. **[FT columnists realise that.](#) It's time it was more widely recognised.**