

# Tax haven UK is alive - and prospering on the back of c...

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The [FT reports this morning](#):

*A £38bn development boom in London's most expensive neighbourhoods has been spurred by rampant demand from European and Asian buyers seeking safe investments away from turbulent Eurozone economies.*

*The pipeline of upmarket housing projects in planning or already under construction in the UK capital has increased more than two-thirds during the past year, with 15,500 units slated for delivery by 2021, even as building work in other parts of the country remains stagnant.*

That's one version of the story. The Guardian offers another ([in a compelling story that deserves to be read in full](#)). [They report](#):

*Britain has allowed key members of Egypt's toppled dictatorship to retain millions of pounds of suspected property and business assets in the UK, potentially violating a globally-agreed set of sanctions.*

*The situation has led to accusations that ministers are more interested in preserving the City of London's cosy relationship with the Arab financial sector than in securing justice.*

I and the Tax Justice Network have long argued there is an economy within an economy in the UK - which is that of tax haven UK. Both these reports are clear signs of this.

Of course money floods to the UK - but that is because our domicile rule makes the UK a perfect tax haven. But these people who come do not add value: they simply distort our housing markets, destroy the balance in our society, encourage more financial services which imbalance our economy and have no role to play in our democratic and other processes. It's worse than that though: as the second report shows, far too much of this money is illicit and the UK has a willingness to turn a blind eye to such funding that is reflected in the behaviour of our banks who all too knowingly it seems do just the

same thing.

This is tax haven UK at work, like a cancer within our country, destroying it from within.