

Funding the Future

Article URL

Published: January 12, 2026, 7:16 pm

A rumour reaches me (let's say no more) that missives are heading towards Jersey, Guernsey, the Isle of Man and British Overseas Territories like Cayman, the British Virgin Islands and Gibraltar saying in no uncertain terms that the UK is not going to play second fiddle to the USA on tax information exchange.

There's good reason for this concern on H M Revenue & Customs' part. The USA has stolen a march on the rest of the world when it comes to demanding information on those who are using and abusing tax havens by introducing what is known as the Foreign Account Tax Compliance Act. Now this is a complex area, but the nub of it is simple. [The US says:](#)

FATCA will require foreign financial institutions to report directly to the IRS information about financial accounts held by U.S. taxpayers, or held by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

In essence, if a US bank wants to trade in a jurisdiction then that jurisdiction has to agree to put in place law to allow that US bank (and for this purpose any bank trading in the US is a US bank) to report to the US what assets it holds for a US citizen in that place.

It's right banks should be required to do this. Transparency of this sort shatters tax secrecy, and so is a massively important step in ending secrecy jurisdiction tax evasion. But only the US has had the clout to unilaterally do this.

But as it has that clout countries are lining up to comply, including all the UK's tax havens.

And that's what is irritating Whitehall. I'm told the message being sent is very blunt and very clear: if this can be done for the USA then the UK is saying it can be done for us as well, and no excuses are being accepted. Quite right.

But then we get to Jersey - already [having a problem or two with HMRC right now](#) - and they're torn between the devil and the deep blue sea in deciding how to react. Do they comply and see their business fade away (because for all the bluster they

know corruption is at the heart of all they do) or do they tell the UK and maybe even the USA to go and whistle - and be left with what will look like a remaining bunch of decidedly fringe banks offering dodgy deals to dodgy people.

I'm sure the same problem is being faced in St Peter Port and Douglas too, let alone Georgetown and beyond. But it's vital, and for once full marks to HMRC if this is the line they have adopted. It's spot on.