

Guernsey succumbs to the UK's demand for tax transparency.

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Last [November I was involved in disclosing the news](#) that the UK intended to impose FATCA style agreements on the UK's Crown Dependencies, and then its Overseas Territories. When exposed the story was shocking to many in all those places. But it was also true.

First [the Isle of Man agreed](#).

Now the FT [carries the news that Guernsey has too](#).

The pressure on Jersey is, inevitably mounting as it makes clear [by its very obvious reluctance to co-operate](#) that it is at the centre of tax abuse in these three islands, [but the signs are not good](#).

But what of Guernsey ? [The FT report says](#):

The UK government and the crown dependency are poised to conclude a deal under which British holders of Guernsey accounts or trusts will have to report any unpaid tax to the Treasury by September 2016 or face penalties of up to 200 per cent.

Tens of thousands of UK citizens have accounts in Guernsey, where UK-sourced retail and trust deposits amount to around £4.2bn, including those held by wealthy "non-domiciled" foreigners.

Under EU agreements, European citizens with Guernsey accounts must already declare interest payments. But the UK deal also requires balances to be disclosed.

That last point, of course, is crucial. But it's also much more important than that. Under the existing European Union Savings Tax Directive (but not the one to come, probably soon) the EU deal only applied to individuals. It did not apply to companies or trusts. The new deal with Guernsey does. It applies to all arrangements in which a UK resident person - dom, or non-dom - has an interest and requires its automatic disclosure from 2016 at the latest. In other words, at least as far as tax authorities are concerned (but not with regard to the many other abuses permitted by the secrecy that places like

Guernsey deliberately create) tax haven secrecy is shattered.

Now we have to shatter the rest of the secrecy that Guernsey deliberately supplies to those seeking to break the laws of other countries.

And let's make no mistake here: this agreement tacitly acknowledges that Guernsey knows it has been used for tax evasion, and is still being used for tax evasion now, despite all the claims to the contrary by its politicians and others over the last few years. This is, not to put it too bluntly a campaign for tax justice, but it's amusing that the island authorities claim otherwise, saying:

The island's authorities said the move to greater transparency will give it an advantage over other non-compliant jurisdictions. Peter Harwood, chief minister, said the agreement would safeguard "our position and reputation as a respected, well regulated, tax transparent jurisdiction".

If that's the case why didn't they adopt my [Plan B, some time ago](#)? Sorry Mr Harwood, but I just don't believe you: you were dragged kicking and screaming into this.