

The British Virgin Islands knows it's been beaten by th...

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The US Foreign Accounts Tax Compliance Act is scaring tax havens around the world, and rightly so. For all practical purposes, the illicit tax haven sector is closed to the vast majority of US business now. But not to be outdone places like the British Virgin Islands are seeking business elsewhere. As [UAE's The National reports](#):

The British Virgin Islands financial services sector is switching tack to focus on the Arabian Gulf, as tax havens come under renewed pressure from the United States.

The UAE presents numerous opportunities for the Caribbean destination to develop its financial industry, said Lorna Smith, the chairman of the BVI financial services business development committee and wife of the islands' premier, who led a delegation that last week met government officials in the Emirates.

"We're certainly very impressed with the leadership in financial services that the UAE has shown," she said. "We're excited at the prospect that later this year Abu Dhabi will have opened its own financial zone."

The BVI is seeking to attract firms looking towards cross-border financing, private banking, asset management and estate planning.

You bet it is. Tax may not be the focus here, but defying regulation is and that's because BVI is much more than a low tax jurisdiction, it's a secrecy jurisdiction. 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 the use of this regulation 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. And that's the ongoing problem that everyone, including the UAE, faces.