

Will Jersey, Guernsey and the Isle of Man have to give ...

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We know now that the UK has been successful in persuading Jersey, Guernsey and the Isle of Man to sign what many call 'son of FATCA' agreements because they basically replicate the deal the USA has demanded from these countries under the Foreign Accounts Tax Compliance Act in that country.

The UK has also said it intends to now impose (there's no other word for it) these agreements on places like Cayman and the British Virgin Islands.

Now, let me offer some speculation, which is this. The UK has imposed this demand on these places. But it is also wholly responsible for their foreign relations (they are not sovereign states: we represent them even if a little game of charades is played on the issue). So if the UK now secures this information and the UK has 'most favoured nation' agreements with all EU 27 countries and a lot of others besides then doesn't the UK now have a legal obligation to make sure that the Crown Dependencies and all the Overseas Territories that sign with the UK offer exactly the same deal that we have now secured to all our most favoured nation partners? That's what such status means: we can afford them no less a privilege than we enjoy. So if we enjoy such agreements so must they if they ask.

I may be wrong on this: I stress, this is speculation. But I think if I was Germany, France, Greece and other countries with an interest in tax evasion in which the UK's tax havens play a part then I would be investing the time in investigating this right now and would be sending my demand to Whitehall (which we now know has the power to impose such deals) pretty soon.

The UK's tax havens need watch it: I think very real change may come sooner than they expect and have a happy knack of being right on these things. That doesn't guarantee I am this time, but it would be good if I was.