

It's time for Europeans to call Britain to account

Published: January 16, 2026, 1:00 am

This is a modified, expanded version of [a blog](#) written by Nick Shaxson and published by the Tax Justice Network, used here with permission.

A massive [data dump of tax haven information](#), published via the Washington-based International Consortium of Investigative Journalists in collaboration with 86 media organisations around the world, is the biggest of its kind in history. I believe we will see more of this kind of thing: in the past few years we've seen a real sea change in the world's understanding of and tolerance for the offshore system of tax havens, and many offshore practitioners who previously wouldn't have questioned what they were doing will now be realising that they may well have been doing the world a dis-service. I expect more whistleblower information to come forward. (I was contacted by a potential one not so long ago, though I decided not to engage.)

A headline in *The Guardian* newspaper tells us probably the most important thing we need to know about this explosion of new tax haven information.

["The nation at the heart of the offshore scandal: Britain."](#)

Quite so. And explains:

"It's easy to imagine the villains of the piece to be irresponsible foreign nations — happy to shelter the mega-rich in offshore secrecy, unconcerned about the tax avoided in other, larger countries. If only the British government can prevail in these overseas battles, things will get better, it seems. But such a stance ignores that one nation in particular has ties to offshore havens everywhere. It's a veritable nexus of offshore influence, related to havens in the Caribbean, and much closer to home. That nation is, of course, the United Kingdom."

This is very much the subject matter of my book, *Treasure Islands*, which outlines how Britain in the past half century or so became the most important single player in the global system of offshore tax havens. It is fantastic to see this analysis emerging in the British newspapers now.

Another story from *the Guardian*, underscores what the Tax Justice Network has been urging for years:

The [British] prime minister has come under pressure to act against Britain's secretive offshore industry at June's G8 summit, as leaked evidence continued to mount that politicians and tycoons from all over the world have used the British Virgin Islands to hide funds.

The premier of Georgia, Bidzina Ivanishvili, was the latest to be named, along with prominent Pakistani, Indian, Thai and Indonesian figures — while there was fresh evidence of Britons acting as front directors for companies based in offshore havens such as the BVI.

A senior Liberal Democrat figure said the leaks showed the secret haven of the BVI "stains the face of Britain", as anti-corruption campaigners called for action.

Lord Oakeshott, the Lib Dem peer and a former Treasury spokesman, said: "How can David Cameron keep a straight face calling for the G8 to make big business pay tax when we let the BVI use British law and British protection to suck in billions in dirty money?"

He asked: "How much British aid paid to corrupt countries like Pakistan ends up behind a BVI brass plate?"

Among many other things, the revelations confirm — as if any confirmation were needed — that these jurisdictions have not only been selling secrecy services — but they have been deliberately disregarding their own laws. The very latest example comes from a story today about the famous Magnitsky case:

"authorities in the British Virgin Islands failed for years to take aggressive action against CTL, even after they concluded the firm was violating the islands' anti-money-laundering laws."

(Read the *rest of the story* to see the context. A similar story is evident in Cyprus.) More revelations continue to emerge, with more to come: keep up to date with the ICIJ's feed [here](#). BVI spokespeople have, as typically happens in scandals of this nature, taken the 'a few rotten apples' defence: most of them are clean, and we'll root out the few bad apples.

This will get us nowhere. The BVI is far too 'captured' by offshore finance to have a hope of mustering any kind of serious response. This is one of the great global scandals of our age.

So what can be done? Well, Britain, which partly controls matters in the BVI, must now act. It certainly has the ability to do so. A former senior legal practitioner in the BVI, who wished to remain anonymous, told today's TJN blogger recently, in a telephone

interview:

“The governor has complete power of disallowance, he can disallow any legislation passed and he obviously takes his orders from Whitehall, but I think the UK government just keeps a benign eye on us, and makes sure we don’t do anything too outrageous. But on the whole the legislation is locally produced, although we would get advice from top people in the UK for the finer points: I think it is largely driven by the BVI and the UK only interferes if it thinks it’s entirely inappropriate for some reason.”

And who appoints the governor? A *dear old 86-year old lady*, who commands widespread respect around the world and is known by her title “The Queen”. Or, if you want a more *formal position* on this:

*“The United Kingdom Government are responsible for defence and international relations of the Islands, and **the Crown is ultimately responsible for their good government**. It falls to the Home Secretary to advise the Crown on the exercise of those duties and responsibilities. The United Kingdom Parliament has the power to legislate for the Islands. . . .”*

If ever there were a call for intervention to ensure good government, this is it.

The latest revelations show beyond doubt — as if any further evidence were needed — that what is needed now is revolutionary change. Current international efforts to tackle this remain little more than fig leaves. Every tax haven in the world — except for the giant financial centres of Nauru and Niue — is on the OECD’s **white list**. Nearly every tax haven in the world is clean, apparently. The ICIJ and 86 media organisations around the world would beg to differ.

This is not good enough. We need major public mobilisation, and not just in Britain, to call the offshore establishment to account. Not just for the British Virgin Islands: for all its tax havens and semi-tax havens. Although the recent media revelations show abuses by many tax havens that are far outside Britain’s responsibility, Britain, by virtue of its partial control and influence over around half the world’s big tax havens, is the single biggest player in the offshore system. If Britain were to act, a big part of the problem could be seriously addressed. Global Witness said in a statement:

“This revelation of the extent of financial secrecy should act as a wake-up call to us all. Hidden company ownership enables corruption, state looting and dodgy deals that directly deplete state budgets and entrench poverty. Arms traffickers, drug dealers, and corrupt politicians all use shell companies to carry out their illicit activity.”

“By requiring the names of the ultimate beneficial owners of all companies to be made public, G8 leaders could provide a huge boost to efforts to reduce corruption and financial crime globally and to promote development worldwide. There is no excuse for

them not to act."

So what is the British government, for its part, planning to do about all this? The Guardian continues:

"Ministers insist they are not ready to act."

To repeat: that isn't good enough. It is ultimately the City of London, the greatest beneficiary of Britain's offshore tax haven empire, which is lobbying against any serious change. The City is so strong that Britain can't manage this, politically speaking, alone. Even though Europe is fighting its own internal struggles against its own tax havens such as Luxembourg and the Netherlands, that's not to say it can't help Britain tackle its offshore Empire. It is time for European governments — and their citizens — to start calling Britain to account.