

Cameron's irresponsible comment on the UK's tax havens ..

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David Cameron's [irresponsible statement on Monday that none of the UK's Crown Dependencies or Overseas Territories can now be considered tax havens](#) is already having serious repercussions. [It was headline news in the Isle of Man yesterday that:](#)

Cameron accepts that the Isle of Man is 'not a tax haven'

The story went on:

The prime minister's views have been welcomed as a further endorsement of the Isle of Man's commitment to remaining at the forefront of global standards.

His comments are in stark contrast to those made by his predecessor, Gordon Brown, and his Chancellor of the Exchequer, Alistair Darling, who dismissed the island as a 'tax haven in the Irish Sea' at the height of the Kaupthing affair in 2008.

I'm afraid Brown was far, far closer to the truth. But as the IoM Today site reports:

Treasury Minister Eddie Teare today said: 'Mr Cameron's remarks provide clear recognition of the Isle of Man's constructive engagement with the international tax agenda.

'With positive assessments by such organisations as the OECD, IMF and Financial Stability Board, we do not consider ourselves to be a tax haven.

'The prime minister has now reinforced that message in very strong terms. It supports our view that the Isle of Man is a responsible business centre with a competitive, clear and simple tax regime.

'The Isle of Man has led the way in respect of tax cooperation and transparency for the past 15 years and was the first nation to commit to a FATCA-style agreement with the UK to automatically share tax information. We have also produced an action plan to set out our position on tax information exchange and the identification of corporate beneficial ownership, and recently confirmed our intention to join the Multilateral

Convention on Mutual Assistance in Tax Matters.'

And thereon lies the rub.

The Isle of Man is going to do FATCA with the UK and USA - but who else? Offering automatic information exchange to two states does not stop a place from being a tax haven for 200 or more other jurisdictions in the world.

And this has not, anyway, as yet happened. The devil as we all know on these things is in the detail, and we're a long way from that yet.

Just as there is no sign of what the so-called action plans will deliver as yet, and nor has the OECD convention actually been signed - let alone been complied with.

Cameron's claim was about as absurd as a new business person declaring themselves a millionaire because they've bought an off the shelf company to run their new venture - without as yet having even got a single order. Yes of course that person has aspiration to success and yes, of course there is hope that the Isle of Man will cease to be a tax haven one day: [I set out the conditions for that yesterday](#). But to say that because it has made some very vague declarations of intent which so far have no substance and little international reach, and has yet to reform any of its secrecy practices such as the supply of anonymous shell companies, that it is not a tax haven is just absurd.

Except it's worse than that: Cameron's comments will take the pressure off these places to actually do anything now. And that suggests that the whole of the G8 process was a fiasco at best. And that's profoundly disappointing for all the people who suffer as a result from tax haven abuse around the worldwide including the billions who are in poverty in developing countries because the tax revenues that should be used to provide them with healthcare, education and nutrition are stripped out to places like the Isle of Man.