

What is a secrecy jurisdiction?

Published: January 13, 2026, 3:56 pm

The Tax Justice Network has published [its new Financial Secrecy Index this morning](#).

One of the issues on which it is surprisingly vague is [just what a secrecy jurisdiction is](#). In the supporting narrative they say:

We use the term 'secrecy jurisdiction' interchangeably with the term 'tax haven' — depending on which aspect of a jurisdiction we want to emphasise. So for this project we generally prefer the term 'secrecy jurisdiction.'

*There is no generally agreed definition of what tax havens or secrecy jurisdictions are: the phenomenon has many different aspects and no definition captures them all. So we do not offer our own formal definition - though we do take a broad view of the phenomenon. Loosely speaking, a secrecy jurisdiction provides facilities that enable people or entities **escape** (and frequently undermine) the laws, rules and regulations of other jurisdictions **elsewhere**, using secrecy as a prime tool.*

I admit I think that this is wrong. First of all there is a definition of secrecy jurisdictions. I offered it for the Tax Justice Network when creating the methodology for the Financial Secrecy Index in 2009 in a paper I wrote then entitled '[Defining the Secrecy World: Rethinking the language of 'offshore'](#) '. **The use of the term secrecy jurisdiction since that time is pretty much down to the work I did in that paper which said that there are two parts to the definition of a secrecy jurisdiction:**

Firstly, secrecy jurisdictions create regulation that they know is primarily of benefit and use to those not resident in their geographical domain.

Second, secrecy jurisdictions create a deliberate, and legally backed, veil of secrecy that ensures that those from outside that jurisdiction making use of its regulation cannot be identified to be doing so.

I said then that these characteristics in combination define a secrecy jurisdiction. That remains my view now. I am not sure why the Tax Justice Network is no longer sure.

What I am now quite certain about is that the term does not mean a place is a tax haven, although in many cases it will be. So, for example, Ireland comes 47th on the FSI but has a low secrecy score of just 37. That does not, in my view make it a secrecy jurisdiction. But it has massive financial flows. That's because it is very obviously a tax haven. The two are distinct and very obviously different on occasion, and that now needs to be said.

It is undoubtedly true that in most (but not all) **of the top secrecy jurisdictions listed by TJN** **secrecy is fundamental to their being a tax haven - and that is true of all the UK's Crown Dependencies and Overseas Territories, for example - but to suggest the terms are synonymous is, as experience has shown, just wrong. I am sorry that this impression is now being given because I do not think it correct.**