

Tory talk on controlling shell companies is cheap beca...

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The [Guardian has reported](#) that:

Frontmen of foreign shell companies that are used to hide the true ownership of some of London's most expensive properties could face up to two years in jail and unlimited fines under new government plans.

The government announced the new sanctions on Thursday as it unveiled plans to set out draft laws this summer to lift the secrecy surrounding foreign ownership of billions of pounds worth of British property.

Under the draft laws, foreign companies must disclose who ultimately owns their properties. The plans follow new rules on ownership and control of UK companies that were introduced in 2016.

I would love to applaud the government on this. But I can't. And I won't.

First that is because this is way overdue already.

Second it is because it is unlikely anything will happen before 2021 in reality.

And third I am utterly bored with Tory promises that involve the passing of new laws that they have not the slightest intention of enforcing.

We can be sure that this law will not be enforced. The police cannot even [undertake their most basic duties now](#). Prosecutions in this area will be complex. And Companies House, which would probably have to initiate any action, is so hopelessly under-resourced that hundreds of thousands of companies fail to supply any data to them on their beneficial ownership each year and nothing in effect happens because there are no resources to pursue the offenders.

In this respect the UK akin to the classic tax haven of a decade or so ago. At that time those places were masters in passing copious legislation that they had absolutely no intention of using but which let them say they were internationally compliant. I, and

others, roundly criticised them for this. And I have to be honest: they have improved their act. At the same time the UK has slipped heavily backwards because austerity has killed all chance of progress and left most of our supposed regulatory processes as mere shams, existing on paper but utterly toothless.

That is what this new legislation will be. Quite literally it is a paper tiger. And that almost makes me more annoyed than the government pretending that they cannot be bothered about this issue.

You can't tackle fraudulent abuse with a fraudulent pretence of action, but that is precisely what is going to happen. The only possible outcome is total failure.