Cayman and Bermuda haven't a legal leg to stand on

Published: January 13, 2026, 7:39 am

This is interesting. The Guardian has reported that

The Cayman Islands government said it was considering legal action in an attempt to stop the UK making the overseas territory open up its company ownership registers to public scrutiny, a day after MPs agreed they should do so by the end of 2020.

Alden McLaughlin, the premier of the Cayman Islands, said the territory was keeping all options on the table including a legal challenge to the amendment and accused MPs of making a decision that was "reminiscent of the worst injustices of a bygone era of colonial despotism".

The territory was joined by Bermuda, which questioned whether the newly passed legislation was constitutional. David Burt, the premier of Bermuda, said parliament's action was a retrograde step after 50 years of "constitutionally sanctioned self-government". He added that the island territory would take necessary steps to ensure its constitution was respected.

I wonder if they have thought this through?

Whose law are they going to use?

Theirs?

Ours?

I strongly suspect ours. But that concedes ours applies. And that they are subject to it. Which pretty much brings the case to a close.

And what are they going to say? That they:

a) Are British territories

b) Have British passports (albeit with some limitations)

c) Are subject to UK foreign policy and defence

d) Are represented by the UK internationally

But:

e) Their internationally impactful financial services industry is not subject to UK control

And

f) The fact that we have to pick up the tab if anything goes wrong does not prevent them doing anything they like without us having the right to interfere?

That last point is worth elaborating. In 2007 the UK National Audit Office reported that:

The UK bears the ultimate risk of potential liabilities from its overseas territories

Nothing has changed since then.

So let's summarise the Cayman and Bermuda approach. What they want is self-government without assuming any of the risk of doing so and what they want to deny the UK is the right to manage the risk.

I think I can see which side the Supreme Court might take on this.

I'd offer for nothing the one-word advice a barrister once gave one of my clients: settle.

If they want two words of advice it would be settle today.

Sabre rattling will not work in the face of the reality of responsibilities.