Funding the Future

Itâ€™s time for the EU to get tough on Jersey and …

Published: January 12, 2026, 9:56 pm

I was pleased to note this report in the Guardian yesterday:

The European parliament is pushing for UK overseas territories including the British Virgin Islands, Guernsey and Jersey to be added to an EU tax havens blacklist after the conclusion of the Brexit deal.

Sending a signal that tougher action on tax avoidance was required in response to the coronavirus pandemic, MEPs voted overwhelmingly in favour of adding more nations and territories to the list of non-cooperative jurisdictions.

Their logic was absolutely sound:

The resolution, passed earlier this week by a vote of 587 to 50, included measures calling for the automatic inclusion on the blacklist of countries which use a 0% tax regime. Among these are the UK overseas territories, viewed by transparency campaigners as havens for tax avoidance.

I will ignore the BVI for now; when the UK had to announce that law and order had effectively broken down there this week their inclusion on this list was, I think, inevitable.

Instead I want to comment on old foes of mine, which Jersey and Guernsey are. It’s hard to recall now how much they featured on this blog at one time.

When these two (along with the Isle of Man, whose non-listing is hard to explain, barring the fact that they have the reputation of being more cooperative) persist in running a tax regime for companies that was deliberately designed to undermine the EU’s requirements in its Code of Conduct on Business Taxation it is hardly surprising that the EU has now moved against them given that their protector, in the form of the UK, has now exited the EU. I hope that they anticipated this; I certainly did.

The issue now is for the sanction to have real bite. Whilst the abuse persists the EU should require that tax withholding takes place on all payments to these places.

Unfortunately, this need not be the case at present. Require that the withholding be at a sensible rate of, say, 20% and suddenly EU listing would impose a real sanction. Then, at long last the abuse of the UK's Crown Dependencies as corporate boltholes would really begin to come to an end.