

## The game is up for tax havens: they should be shedding ...

Published: January 13, 2026, 12:05 am

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As the [FT has reported](#):

*Bermuda's political and business elite is responding to the G7 push for a minimum corporate income tax as it would to the approach of an Atlantic hurricane. Officials are looking to ride out the storm – and keep intact a 19th-century revenue regime that leaves company profits untouched.*

They note Curtis Dickinson, the island's finance minister, saying:

*We have a system in place for 200 years. It's not perfect. It does require some adjustment. But we would like to do that on our own and not have someone tell us to change our system to fit some global initiative. I would say it's a sovereignty issue.*

He is right, in a way. The campaign to tackle tax haven abuse, in which I think it fair to say I have played a part, has always been about sovereignty, or rather the abuse of the sovereignty that a country should have to choose its own tax system that tax havens have always deliberately and knowingly undermined.

As part of that campaign I realised that the term tax haven was insufficient to define the problem we were addressing. Tax havens came in too many forms for the description to be useful. So, I defined secrecy jurisdictions instead. I defined these as :

*places that intentionally create regulation for the primary benefit and use of those not resident in their geographical domain with that regulation being designed to undermine the legislation or regulation of another jurisdiction and with the secrecy jurisdictions also creating a deliberate, legally backed veil of secrecy that ensures that those from outside the jurisdiction making use of its regulation cannot be identified to be doing so.*

The term has been very widely used since I defined it, not least by the OECD.

Using this widely accepted definition Bermuda has for decades been seeking to impose its tax will on other countries. It has deliberately permitted itself to be captured by a

financial services industry elite to effectively be part of a direct attack on the democratic freedom of countries to tax as they will. Bermuda hoped to always get away with this, even though in the article it is admitted that the result is a deeply regressive tax system in Bermuda that hits the poorest there hardest (not that, I suspect, the financial services elite much care about that).

And now Bermuda are complaining that their sovereignty is being impinged. You literally could not make the hypocrisy inherent in that claim up.

I doubt there will be anyone, anywhere, with sympathy with Bermudan on this. Or Jersey, Cayman, the Isle of Man, or anywhere else of similar ilk. For them the game of peddling abuse is nearly up, and not a moment too soon. Mr Dickinson needs to shed his tears in private. The world will not be taken in again.