

## Labour could take action against tax havens

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I have published this video this morning. In it, I argue that Labour needs to take action now that it is in office to finally end the curse of abusive secrecy created by the UK's tax havens.

[https://youtu.be/\\_y90FwNuqJo?si=VP8OBkyEXnGdJEBw](https://youtu.be/_y90FwNuqJo?si=VP8OBkyEXnGdJEBw)

The audio version of this video is here:

[https://www.podbean.com/player-v2/?i=i7ucd-166caba-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=3267a3&font-color=&logo\\_link=episode\\_page&btn-skin=fb0584](https://www.podbean.com/player-v2/?i=i7ucd-166caba-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=3267a3&font-color=&logo_link=episode_page&btn-skin=fb0584)

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The transcript is:

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As everybody involved with tax justice knows, the problem of tax havens has not gone away. And at the hub of the world's tax haven networks is the City of London. That has not changed either over all the years that I've been involved with this issue, and I was one of the very first campaigners on it in 2003 when I co-founded the Tax Justice Network.

The British tax havens - Jersey, Guernsey, the Isle of Man, Bermuda, the Cayman Islands, the British Virgin Islands, Gibraltar, we go on and on - all of those still put the Queen's head on their stamps. And all of them are administered from the UK at the end of the day.

We're responsible for their defence.

We're responsible for the maintenance of law and order in those places.

And if it breaks down - as for example it has on occasions in the Turks and Caicos Islands where we had to send in troops to restore it, or in the British Virgin Islands when, after a hurricane, we had to send an administrator to make sure that law and order was maintained - if law and order breaks down in those places, we can step in.

We are responsible for the administration of these tax havens, whether they are Crown dependencies - which are Jersey, Guernsey and the Isle of Man - or British Overseas Territories, which are the rest. And my point is that if we're responsible for these places, then we're responsible for what they create.

And that has to be true.

I'll tell you why I know that has to be true because the laws of all these jurisdictions have to ultimately be approved by the King. And the King, in this case, is represented by the Privy Council. And when you notice somebody is called the Right Honourable because they are a member of the UK Cabinet, that means that they are a member of the Privy Council.

The Privy Council has to endorse the legislation of all these territories, and it does, and therefore every single piece of tax haven legislation that they put in place is approved by Members of the British Cabinet. And for the next five years, that means Labour will be responsible for this network of tax havens.

Now there are complicated legal disputes about whether they do really have independence from the UK or not. For example, Jersey claims that under a Treaty of King John, they were given independence to pass legislation as they saw fit and have maintained that right ever since. Over 800 years, they claim. There's just one slight problem with that particular claim on their part. Nobody can find the Treaty of King John to which they refer. And it's on this fabric and tissue of, well, myths and legend, that so much of the tax haven world exists.

So, let's summarise what the tax haven world really does. Because it's not very much about tax. And it's a lot more about something else, which is secrecy.

These places deliberately create laws that undermine the laws of other countries, like the UK. And they also create a veil of secrecy around the operation of companies and trusts, and maybe individuals, but most certainly of banks, in these jurisdictions, so that those taking advantage of the legislation that they create cannot be easily identified by the other countries whose laws are undermined by them.

In other words, tax havens exist to undermine the right of democratic governments in places like the UK to put in place laws that will apply to everybody who operates in this country. by giving those who don't want to comply a get out of jail free card by trying to

claim that they've operated from a tax haven instead.

Now, that's fundamentally anti-democratic.

It does, of course, reduce the tax base in the UK and in many other countries, and it undermines fair competition. So, from wherever you are on the political perspective, tax havens really are an attack on what you believe in, whether it's good government, or fair competition, or the rule of law.

In that case, there is no defence for the continued existence of tax havens, or the secrecy, at the very least, that lets these places provide the opportunities for abuse that they do.

Labour is now in office. It is time that it took action to get rid of the abuse that tax havens create against this country and against so many others.

Labour should insist that all those places who operate from the UK, like Jersey, Guernsey, Isle of Man, Cayman Islands, and so on, should from now on open up their books to scrutiny, by which I mean those places should require that every company and every trust operating in those locations should record who created them, who manages them, who benefits from them, what the rules of governance are - the articles of association as they might be called - and that accounts are put on public record for every one of the companies in question as well, and for all the larger trusts too.

If that was the case, most of the advantages of using a tax haven would end overnight because accountability would have been created.

If Labour really believes that upholding the rule of law, upholding democracy, upholding fair competition, and upholding the principle that each sovereign nation should have the right to decide on its own laws which it can enforce, then it should stop the abuse from tax havens.

Come on Labour, let's do it. Let's get rid of these places once and for all.