

Exchange of letters in the Financial Times between Toby Quantrill, Principal Economic Justice Advisor, Christian Aid dated 9th May 2016 and Anthony Travers, Senior Partner, Travers Thorp Alberga dated 15th May 2016

UK Can Take Lead on Regulation of Tax Havens

Date: 9th May 2016

Sir, Your arguments against the creation of public registers of the real owners of companies in UK overseas territories and crown dependencies do not add up (“Cameron conundrum about offshore finance”, Editorial, May 10). Many of the activities conducted in the islands may indeed be legitimate, but there seems little reason for such activity to require secrecy.

Furthermore, that same secrecy protects those involved in corruption, tax evasion and money laundering. The fact that such activity may move elsewhere is a very poor reason for the UK to tolerate a lack of transparency in its own constitutional backyard, especially when the UK is already creating public registers of mainland companies’ real owners. It would be absurd for the UK to allow its tax havens to continue to facilitate globally ruinous crimes on the grounds that, if they do not, someone else will.

Christian Aid’s view is that, rather than defending the clearly indefensible, the UK should lead the world on the proper regulation of tax havens. We expect Prime Minister David Cameron to act accordingly at his anti-corruption summit on Thursday.

Toby Quantrill

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Christian Aid, London SE1, UK

Letter in response

Britain is Already Blazing a Trail on Tax Havens

Date: 15th May 2016

Sir, Toby Quantrill of Christian Aid (“[UK can take lead on regulation of tax havens](#)”, May 12) seeks to perpetuate an unsustainable myth. A cursory review of the publicly available information would have revealed the true position.

The British government has, as a matter of public record, already done a very good job of taking the lead in ensuring that legislation and regulation concerning anti-corruption and law enforcement is in place in the Cayman Islands and other overseas territories to the highest UN and EU standards.

This week's announcement in London that the Cayman Islands' confidential relationship law would be amended reinforces the well-established procedures through which all foreign law enforcement agencies have been able to make a legitimate inquiry of beneficial ownership of any Cayman vehicle, in any criminal matter, in whatever country the predicate offence occurred.

The position with respect to tax transparency was similarly established 15 years ago with the OECD commitment and enactment of the subsequent tax information treaties which, more interestingly, are very little used and have no discernible effect on onshore tax collection.

What Mr Quantrill means, but he should say so transparently, is that he finds the new register of beneficial ownership established by last week's exchange of notes between the Cayman Islands and British governments unsatisfactory because it will only be available to law enforcement and tax authorities and not members of his and similar organisations, or the public in general. But the right to privacy thereby maintained is also well-protected both in the US under the Fourth Amendment and in Europe under Article 8 of the European Convention on Human Rights.

Given widespread identity theft and other criminal behaviour it seems unchristian to suggest the Cayman Islands and others should accept a quite novel standard that abolishes the right to privacy in personal affairs. Particularly when the evidence of criminal activity and tax evasion he alleges has been shown to be statistically insignificant through the procedures available to onshore tax and law enforcement authorities.

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