

Editorial: Cayman's image: Travers versus 'the world'

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The Cayman Islands is fortunate to have a sustained and stentorian voice proclaiming, anytime and anywhere, the virtues of our jurisdiction's financial services sector.

We aren't referring to any government source or our "official" industry advocate Cayman Finance, but rather local attorney Anthony Travers. If you ever need someone to launch an effective defense of Cayman – and quickly offer a decisive counter-offensive – Mr. Travers is your man.

The latest example of Mr. Travers's rhetorical jousting arrives in the form of a video making the rounds online. The 17 minutes of footage, from a discussion panel at a mid-June trusts conference in Geneva, Switzerland, shows Mr. Travers squaring off against British journalist Jacques Peretti on the subject of "media portrayal of the offshore industry." (Yes, that Jacques Peretti, star of the BBC documentary on Cayman, "Britain's Trillion Pound Island," that aired early this year.)

We'll note that the video only shows Mr. Travers's side of the debate, since we understand Mr. Peretti withdrew his consent to be included.

Therefore, we'll confine our remarks to the five "fallacies" in the documentary, identified by Mr. Travers, that we believe bear repeating.

The conflation of the "legal right to privacy" with "secrecy"

Mr. Travers said, "The right to privacy in private affairs is legitimate and lawful. It has nothing whatsoever to do with secrecy and particularly not with bank secrecy of the sort that enables unlawful tax evasion."

The suggestion that the offshore industry does not benefit the people of Cayman

"Collection of indirect taxes from the financial services industry, in the amount of around \$300 million a year, actually pays for the services of around six-and-a-half-thousand civil servants, most of whom are Caymanians. It pays their salaries. It pays their benefits, and it pays their free healthcare. So the financial services industry in the Cayman Islands is of a direct benefit to the majority of the Cayman Islands working population," Mr. Travers said.

The suggestion that places like Cayman do not benefit onshore jurisdictions

Using the example of Cayman hedge funds, Mr. Travers explains that the \$2.4 trillion put into those vehicles is invested directly into onshore jurisdictions, such as the U.S. or the U.K., creating jobs and generating tax revenue in those jurisdictions.

The idea that taxes are not paid on Cayman investments

The \$2.4 trillion in hedge funds is invested in jurisdictions which collect taxes at that point. On the other end, when money is distributed from the hedge funds to investors, the proceeds are then taxed according to the laws of the investors' jurisdiction, residence or domicile, Mr. Travers said.

Confusion surrounding "lawful tax avoidance"

The key point Mr. Travers made is that any "lawful tax avoidance," by definition, occurs within the framework of onshore legislation – not the laws of Cayman (which does not have those taxes to avoid). If people in the U.K., the U.S. or elsewhere wish to end those practices, they can amend their own laws to put a stop to them immediately.

We have little to add to Mr. Travers's remarks ... well, perhaps an exclamation point or two.

Because of his professional accomplishments and prominent position as senior partner in a law firm, Mr. Travers has the freedom to respond quickly and vociferously when outside interests threaten his (and Cayman's) largest industry.

Over the years, Mr. Travers has been an effective and indefatigable defender of Cayman's offshore financial industry. In the current instance, he journeyed at his own expense to Geneva to debate (and verbally decimate) broadcaster Jacques Peretti, who attempted to do such pre-meditated harm to our islands.

For that, Mr. Travers should have the thanks of all who call Cayman their home. He certainly has ours.