

## **Revealed: how Jersey woos tax avoiders**

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Internal correspondence between the highest-ranking tax officials in Jersey, seen by The Observer, expose for the first time how the tax haven is actively helping the world's super-rich to avoid tax.

A series of emails, dated from last week, and whose participants include Jersey's head of tax and its Treasury minister, reveal how trust reform will 'allow Jersey to compete more effectively for international work, where wealthy families will often wish to place assets in a trust structure and yet retain certain control over the management of the trust assets'.

In the emails, the Jersey Treasury minister, Paul de Gruchy, writes to his colleagues: 'The tax burden, as with inheritance tax in the UK, will be borne by those who are moderately wealthy but not so wealthy as to be able to afford to place significant assets out of reach for a reasonable period of time.'

When shown the emails, Richard Murphy of the Tax Justice Network, a campaign group highlighting tax evasion, said: 'This proves that Jersey is rotten to the core. We now have evidence that its government knowingly facilitates tax evasion by creating legislation that allows it to happen. The government of Jersey has allowed the creation of sham trusts. Trustees are UK-trained and UK-regulated solicitors and accountants. The UK's professional bodies should make it clear that this is unacceptable. It's clear that the Jersey government's aim is to help the rich evade the tax that they should be paying to other governments, including the UK's.'

Vince Cable, the Lib Dem Treasury spokesman, said: 'The UK government should blow the whistle and not sanction this.' The world's richest individuals have placed \$11.5 trillion of assets in offshore havens. Chancellor Gordon Brown has come under attack this month for failing to clamp down on havens.

Malcolm Campbell, Jersey controller of income tax, said: 'There's nothing novel in the proposed changes, which can also be found in the trust laws of other jurisdictions such as New Zealand and Delaware plus a number of other US States. Nor do they do anything to make tax avoidance or evasion more likely than under the present statute.'