

UK proposal forces offshore centres to lift secrecy over company ownership

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British overseas territories, including the Cayman Islands and Bermuda, will be forced to lift the veil of secrecy over the ownership of companies based there after the UK approved radical new measures to tackle money-laundering and corruption.

Caribbean territories have responded angrily to the measures, which will force them to make public the owners of all their registered companies by the end of 2020, in a significant victory for financial transparency campaigners.

Robert Briant, acting chairman of BVI Finance, which represents the British Virgin Islands' financial industry, said the UK had "shot itself in the foot". It puts into question "the viability" of the BVI's financial sector, he added.

The measures were first proposed by David Cameron, the former prime minister, five years ago amid an international wave of political anger over tax avoidance by the rich.

But the Conservative government only accepted the transparency measure after a group of its own MPs teamed up with the Labour opposition to amend the anti-money laundering bill being debated in parliament this week.

Global Witness, a campaign group, said the measures were "a huge win in the fight against corruption, tax dodging and money laundering".

But Caribbean governments, many of whose economies depend on financial services and often involve low-tax regimes, accused London of imperial over-reach, saying the move violated the sovereignty of their parliaments. "We vehemently reject the idea that our

democratically elected government should be superseded by the UK parliament," said the BVI government.

David Burt, Bermuda's premier and finance minister, said it signalled "a retrograde step" for relations between the UK and overseas territories. "We will take necessary steps to ensure our constitution is respected," he added.

The measures do not apply to Britain's crown dependencies: Jersey, Guernsey and the Isle of Man.

The Foreign Office was originally opposed to the measures, arguing that imposing public registers on overseas territories would create a "potential constitutional conflict" with them and "disenfranchise their elected representatives".

But the government backed down once it was clear the change had sufficient backing in parliament.