



The Panama Papers

One law firm + 11.5 million leaked files = Global meltdown.

The Panama papers leak demonstrated the world's worst kept secret...the wealthy keep their money offshore - shock horror!

Media hysteria

It gave the media an opportunity to sell more papers by outplaying their own propaganda whilst demonstrating the highest level of hypocrisy. Take a major Pro 'out' (Brexit) UK national paper who used David Cameron's own financial circumstances to destabilise his Pro 'in' campaign. Whilst they were lambasting the Prime Minister for his offshore dealings that were all prior to him becoming Prime Minister, they ignored the fact that they are owned through a Bermudan company and a series of offshore trusts.

Were there any positives?

The positives to come out of the papers include exposing money laundering rings and illegal tax evasion schemes - these are totally unacceptable and tarnish the more reputable International Financial Centres. These actions will hopefully be dealt with accordingly once the final investigations near completion.

Direct Rule

Jeremy Corbyn has suggested 'direct rule' should be applied to the Offshore Crown Dependencies which has been quashed by Chief Minister Allan Bell in the local paper "We are not in the frame at all. If you wanted to hide money the Isle of Man is the last place you would choose as our oversight is so strict". He also stated the fact that the Island has had so few mentions in the papers was an indication of how closely we work with the Government and authorities to respect to UK tax law.

Where this leaves the Isle of Man

People will often ask where the Isle of Man sits against other jurisdictions - this is a really good opportunity to reiterate and demonstrate that it is recognised by the IMF that it continues high levels of compliance with global standards, including international cooperation and the combating of money laundering, has AA1 rated by Moody's and on the OECD's white list that demonstrates countries who cooperate with transparency and exchange of information.

Will anything change?

One could say that it has been a timely leak with David Cameron hosting an Anti-corruption conference next month and there could be pressure put on him for implementing major reform.

In reality, the past few years have seen changes implemented and more on the way, so these papers won't necessarily bring in any fresh changes but they will reinforce the changes that are already being brought in. The Common Reporting Standard (CRS), Foreign Account Tax Compliance Act (FATCA) and Base Erosion and Profit Shifting (BEPS) are already something corporate and trusts service providers are required to adhere to and allow an exchange of information. In addition, the Isle of Man had pledged to introduce a central register of beneficial ownership prior to the papers.

Those calling for reform may ultimately get their wish, but ironically it is something that has been pushed through by the International Financial Centres themselves for the past few years.



1 Law Firm
11.5m files
Global Meltdown

