

Tax Research UK

Richard Murphy on tax and corporate accountability

- [Home](#)
- [About this blog](#)
- [Richard Murphy](#)
- [More Reading](#)
-

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[Home](#) > [Corruption](#), [Ethics](#), [Secrecy jurisdictions](#), [Tax Havens](#) > Us or them – tax haven supporters and crime: Tax Justice Network and society

Us or them – tax haven supporters and crime: Tax Justice Network and society

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A [recent conference](#) at the Cato Institute has been reported by Tax Notes in the USA. They noted that:

Prince Michael von Liechtenstein, a majority owner of ProfitFundCom AG, a company that manages a Liechtenstein-based offshore hedge fund, said bank secrecy is about freedom.

“Financial privacy is not an issue of rich people, it’s not an issue of taxes, and it is not an issue of hidden money. It is primarily an issue of freedom,” said Prince Michael.

The prince pointed to the importance of savings and investment in the promotion of a solid middle class and said bank secrecy was an integral part of preserving and increasing wealth.

“The best long-term protection for your savings and capital is if nobody knows about it,” said Prince Michael.

What a deluded man the Prince is. What he’s advocating is a world of criminality, where society is destroyed and the only way of defending your property is with a gun, for that is the certain outcome of the lawlessness he still proposes.

Another speaker, Veronique de Rugy, a senior research fellow at the Mercatus Center and a Center for Freedom and Prosperity board member, set out, according to Tax BNotes to:

make what she called the “moral case for tax evasion.” De Rugy said that although “evading taxes when taxes are low” is “questionable,” tax evasion when rates are high is defensible. “Who is to say that those tax laws are actually legitimate?” she asked.

“When taxes are high, people respond with their feet or their capital flies away, and that’s an important signal to government to keep taxes low. I think it’s extremely valuable, and in

that way I think there is a true purpose for tax evasion: It's to teach high-tax nations that what we make does not belong to them," explained de Ruyg, to a round of applause from the audience.

This is incitement to commit a crime: no more, or less.

And how is the secrecy the Prince espouses and the crime that de Ruyg describes as desirable facilitated? I turn to the evidence of Jack Blum of Tax Justice Network USA to the Senate Committee on Homeland Security and Governmental Affairs today. [Jack said](#):

The single most important tool in the toolkit of people trying to hide money from law enforcement and tax collection is the anonymous shell corporation. These shell corporations have no physical place of business, use nominee officers and directors, and as a rule do no business in the place of incorporation. Their sole purpose is hiding where money is, who controls it, and where it is moving, from law enforcement and tax collectors. These shell companies should not be allowed remain anonymous.

States that offer corporations to individuals without insisting on information on beneficial ownership are undermining the efforts of law enforcement to prevent crime, recover stolen assets and collect tax. They are also putting the United States out of compliance with international standards for customer identification. From our perspective gathering basic information about ownership for government use is essential to protect national security and to limit financial crime and tax evasion.

Exactly so.

The contrast could not be sharper. The friends of tax havens promote secrecy and law breaking to undermine society, the Tax Justice Network promotes law enforcement to underpin democratic society as we know it – and all the benefits that come from it.

Who is mainstream? Tax Justice Network, of course.

Who is trying to undermine society? The tax havens, their friends in right wing politics and the pinstripe mafia of lawyers, accountants and bankers who service the needs of those who tax evade and [do not wish to be held accountable for doing so](#).

Was the choice ever more clearly visible? I doubt it.

So let's abolish secrecy now. let's get rid of secrecy jurisdictions now. And let's work for democratic freedom, accountability, honesty, justice and well being for all, now – before the crime supporting tax havens / secrecy jurisdictions destroy it.

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