



## INVITATION TO A PUBLIC SEMINAR

on Thursday 12<sup>th</sup> March, 2009 – 6,45pm

LOCATION: St. Paul's Centre, Dumaresq Street, St. Helier (Upper Hall), Jersey

### Offshore financial centres: past, present, future Why major reform is vital

As the global economic crisis unfolds, the activities of hedge funds and the shadow banking system are coming under increased scrutiny. Leaders of the G-8 and G-20 countries are calling for stricter regulation of the financial system. Some of them, including Presidents Obama and Sarkozy, Chancellor Merkel, Dominique Strauss Kahn at the International Monetary Fund, and others, have noted the role that tax havens have played in hosting this shadow banking world, and are calling for strong measures to remove these weak links in the regulatory chain, and put an end to the tax avoidance industry. Pressure for major reform will increase as the crisis deepens and widens to other economic sectors and regions of the world.

International civil society supports efforts to tackle abusive practices carried out through tax havens. Our organisations also believe that any actions taken against those who facilitate tax dodging and financial speculation must be accompanied by measures to protect the poorer residents of tax havens. Despite the enormous wealth located in these places, many people living in tax havens are badly affected by the high local cost of living and the lack of employment opportunities outside the banking industry. They are also frequently victims of regressive tax policies, which subsidise rich people at the expense of others, and the lack of economic diversity caused by crowding out of traditional industries like tourism and agriculture. Furthermore, tax dodging has an extremely harmful effect on the developing world. The practice costs developing countries alone an estimated £250 billion every year - money which could be used to reach the UN's Millennium Development Goals several times over, and help the governments of poor countries lift their citizens out of poverty.

In mid-March the G-20 finance ministers will be meeting in England for preparatory discussions leading up to the G-20 summit meeting in London on 2nd April 2009. We will be calling on the G-20 to implement comprehensive reforms of the global financial system, including measures to counter speculation, tax avoidance and the shadow banking system. These reforms will profoundly impact on many tax havens. We believe it important that we discuss the necessity for reform with the people of Jersey, which has attracted international media attention as a major centre of the tax avoidance industry. Such discussion will allow an exchange of views on how governments and civil society can work constructively towards finding durable solutions to the current financial crisis and exit strategies for tax havens that are highly dependent on their offshore financial services industry.

It has become clear to everyone that the global banking industry does not currently serve public interest. It is over-complex. It lacks operational transparency. Attempts to regulate its activities are fragmented and weakened by the laxity of regulation in offshore centres like London and its small island satellite havens. We urgently require new strategies to preserve jobs and generate lending that will serve useful social and environmental goals. We hope that the people of Jersey will recognise that they can play a positive role in this process and we invite them and their elected representatives to join us at our meeting at 18h45 on 12th March 2009.