

The story to nothing came and went in a week. Shock-horror headlines one weekend, no mention the next. DSC Metropolitan has some claim to experience in defending tax fraud; we dismissed the whole issue a couple of months ago in *KCW London*:

*They said [anti-money laundering regulations] would stop planes flying into buildings but it's all about controlling us and collecting tax. Shocking how little has come out from the Panama Papers after the initial flurry of Icelandic resignations. Cameron didn't need his father, as is turned out, to embarrass himself financially.*

For Cameron read Blair and his legitimate stamp duty arrangements. If you read the papers more closely it looks like the Blairs bought a company that owned the property. Stamp duty wasn't applicable. The idea that politicians should be required to make voluntary tax contributions is an absurdity, which arose out of the notion that there is a moral dimension to tax planning. How can you believe in human rights and a requirement to operate within an ill-defined spirit of poorly drafted laws? Our generation has seen increasing weakness of the legislature in the face of a power-hungry idle executive in the UK, ethically if not logistically on a level with 1930s Germany. Democracy relies on a strong judiciary standing up to the executive's obsession with making trains run on time. Retrospective legislation crippled anyone who made legitimate investments with tax consequences, literally destroying those who committed suicide before 5 April 2019 so that tax liabilities would fall away from their estate. The deaths were sickening but the Revenue's denials of any culpability ("the Revenue are not counsellors") reflected a degree of callousness no society should tolerate from the servants funded by its own tax payments.

Why is any of this relevant to the Pandora damp squib? Well, first we must agree what we mean by "damp squib." The offshore story picked up pace with the Lichtenstein Disclosure Facility in 2009, intended to be a one-off solution to improve Lichtenstein's image. It was structured in such a way that you could move assets into Lichtenstein and then use the LDF to own up globally. In fiscal terms it was a success, but in PR terms it backfired, being seen as too generous to those perceived to be wealthy cheats. That's the problem with populism.

What do we mean by "offshore funds", in danger of being a meaningless cliché? The Wikipedia article on the Pandora Papers defines it as funds held "outside the country where the money was made" which strikes me as a good enough definition. There are implications to the phrase "offshore funds": illicit, funding terrorism, laundering the proceeds of crime, tax evasion. Equally there is a hierarchy of perpetrators, from drug money, gunrunning, serious crime organizations, activities sitting in the darkest corners of the human psyche reflected on the dark web, through to the predictable dictators hiding graft. Somewhere sitting in the middle, we expect to find swathes of upper-middle class British professional tricksters and aristocratic echoes of eighteenth-century sugar.

The proceeds of crime money seem to be far less than we might have expected, to

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the point it isn't in the news. That might be because it's been embargoed pending dawn raids, but I doubt it. If there were stories they'd have been released or even doing the rounds of those of us in the trade. When did this government or any other worry about fair trials?

The headlines have all been about avoiding tax and enabling money laundering. My firm has been watching these developments with technical and legitimate commercial interest. If there are tax disclosures to be made, presumably if we get to HMRC first, before HMRC can charge our potential client, then our client's case will benefit by being a voluntary disclosure. In my firm's experience Revenue COP(9) inspectors (tax fraud specialists) are reasonable and just want to get the job done. So where are all the cases? We're tolerably well

networked. We'll get our share. Many of our competitors are amongst my closer business associates. None of us have seen any spike in offshore disclosures. There haven't been any.

The Pandora Papers data was obtained by the International Consortium of Investigative Journalists (ICIJ). The Guardian and BBC Panorama have led the investigation in the UK. Leaving aside structural concerns about state-funded media, I'll declare an interest that I doubt will come as much of a surprise: I'm a Guardian reader with some residual brand-loyalty. For all the tax evasion headlines it is reminiscent of Sir Humphrey's aphorism in Yes Minister's Open Government:

Sir Humphrey: "So long as we can head him off this open government nonsense."

Bernard: "But I thought we were calling

the White Paper "Open Government"."

Sir Humphrey: "Yes, we always dispose of the difficult bits in the title. Does less harm there than in the text."

Sir Arnold: "It's a matter of inverse relevance. The less you intend to do about something the more you have to keep talking about it."

Is that it? State paranoia about missing millions. State sponsored hacking of private data, probably illegally. Nothing found. Questions asked. Create headlines that imply industrial tax evasion and what have you got. Gulf millions being invested in London, perfectly legitimately, using offshore vehicles, which offer privacy now blown illegitimately. Every time I come up against the state, I wonder who the offenders are.

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