# Meet The Trillion-Dollar Tax-Haven-Whistleblower Who Was Exiled From His Homeland

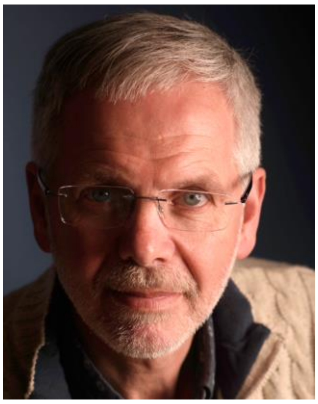
**By Tyler Durden – Zero Hedge**

**John Christensen was a government economist living on the beautiful island of Jersey**, off England's southern coast, in a "hillside villa with views of France." But **that lifestyle ended after he spoke out on a fraudulent currency trading scheme** involving a UBS subsidiary in Jersey, according to Bloomberg.

Christensen had a head of dark hair when he helped to expose the Jersey currency scheme, which resulted in UBS's Jersey unit and accounting firm Touche Ross & Co. -- now Deloitte -- paying almost $40 million to settle lawsuits. Regular bike rides keep Christensen as trim as two decades ago, but his hair has turned pearl white.

He said: ***"I was set. We had a pretty good lifestyle and plenty of friends."***

But he was forced to move to London as a result, where he now fights governments and campaigns against financial secrecy, including on his home island of Jersey.



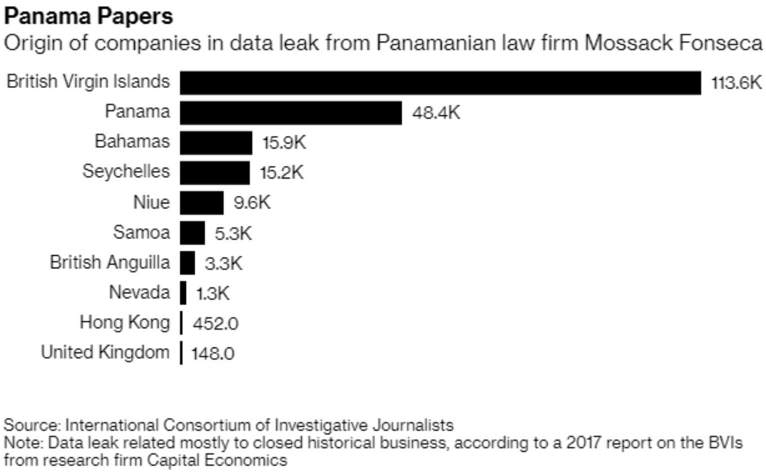
**He founded the Tax Justice Network in 2003 for the purposes of pushing greater regulation of tax havens.** It's estimated that $5 trillion to $32 trillion is currently stashed offshore for tax purposes - this is about a third of the entire global domestic product. Christensen thinks the number is at the "top end of that range".

He said:

"We've won many of the intellectual and political arguments. And yet we're not seeing it happen in practice. Look at where we are now. Rates of tax on capital have collapsed, inequality has gone through the roof and we're now in a very dark place for democracy generally."

But **there's some legitimate reasons to keep money offshore**. Hedge funds and money managers often pool assets into Cayman Islands master funds to reduce costs. Offshore havens also sometimes offer protection against unstable political regimes. But their lack of transparency also makes them attractive to drug dealers, kleptocrats, and money launderers.

**After the Panama Papers leaked, governments have been pressuring offshore tax havens to disclose more details.** Regulators are starting to hone in on long-established locations, too. So now the tax adverse wealthy are seeking out mainland arrangements in places like Hong Kong, London and the U.S.




Christensen continued:

"**Capital has moved literally lock, stock and barrel beyond the ability of nation-states to regulate tax.** If you don't have a good referee in a football game, neither team is any good and **it becomes a free-for-all and everything deteriorates**."

Russia leads the way for offshore stashing, with 60% of the country's GDP held offshore. This compares to 15% in Continental Europe and just a few percent in Scandinavian countries.

**But Russians are leaving one of their favorite offshore spots: the British Virgin Islands.**

Increased transparency in the BVIs, combined with tighter tax laws, means that Russians can no longer anonymously accumulate tax free funds there. Legislation adopted this year in the BVIs requires companies registered there *to actually show economic activity like hiring employees and renting offices* or they are faced with fines.

Christensen and the Tax Justice Network are campaigning for public registers of company owners, and they've had some success so far. The U.K.'s overseas territories and crown dependencies, like Jersey and the BVIs, are set to introduce legislation by the end of 2023. But this still isn't quick enough for Christensen.

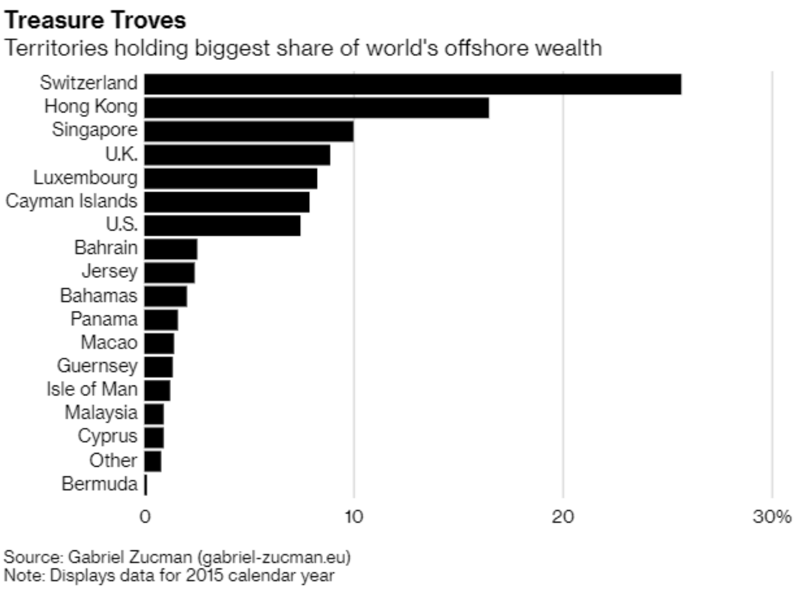
“It took the allied powers six months to plan and successfully carry out the D-Day landings. It took Thomas Edison two years to create the light bulb,” he said, arguing against the timeline.

His Tax Justice Network was started over tea and cake in Jersey in 2002. Christensen and two friends discussed their concerns over the grip of the financial industry on the economy of Jersey.

By writing reports, posing questions at conferences and working with nonprofit groups, the network eventually caught the attention of policymakers. Two ideas that Christensen and his colleagues championed from the start -- country-by-country breakdowns of multinational firms’ finances and improved exchanges of tax data between nations -- helped shape global tax reforms this decade by the Organization for Economic Cooperation and Development.

Labour Party lawmaker Margaret Hodge said of Christensen's group: “Their campaigning work is grounded in good analysis and proper facts. Without them, I wouldn’t have achieved as much as I’ve been able to do in Parliament.”

Two years ago the Organization for Economic Cooperation and Development introduced its tax disclosure system with tropical locations like the Cayman Islands and BVIs adopting it early. **Both places have avoided the EU's blacklist of tax havens, which now includes 15 jurisdictions like Bermuda and the U.S. Virgin Islands, where Jeffrey Epstein has a private island.**




**Instead of signing on to OECD's system, the U.S. is sticking with the Foreign Account Tax Compliance Act, or FATCA, which has created loopholes for people putting foreign money in the U.S.**

Offshore specialists follow the cash. Geneva-based Cisa Trust Co. has applied for a license in South Dakota and Trident Trust, another offshore trust provider, has moved dozens of accounts from Switzerland and Grand Cayman to Sioux Falls, South Dakota.

Christensen said: ***"It's kind of Wild West stuff in South Dakota and Wyoming. Anything goes. The law no longer really applies."***

But the influx into the U.S. doesn't mean that traditional tax havens still don't have plenty of foreign cash.

Last year, four Chinese tycoons transferred more than $17 billion into family trusts with the ownership structures all involving entities in the Caribbean. Chinese individuals will account for about one-third of the total inflows for offshore financial centers over the next five years, according to an analysis by Boston Consulting Group.

Even though it resulted in exile, Christensen doesn't regret outing the UBS subsidiary.

***"I knew that if I didn't do that, I would regret it for the rest of my life. Everything I stood for would've been shunted to one side if I hadn't,"*** he concluded.