



Foreign, Commonwealth
& Development Office

David Rutley MP
Minister for Americas, Caribbean and the
Overseas Territories

King Charles Street
London
SW1A 2AH

Tel: 020 7008 5000

Email:
fcdo.correspondence@fcdo.gov.uk

www.gov.uk/fcdo

Rt Hon. Sir George Howarth MP
House of Commons
London
SW1A 0AA

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24 May 2024

Dear Sir George,

Thank you for your correspondence of 10 May to the Foreign Secretary on behalf of your constituents, about the efforts by UK Overseas Territories (OTs) to tackle tax abuse and illicit finance. I am responding as the Minister responsible for Overseas Territories.

This is a matter of great importance to the Governments of the UK and OTs. That is why we work closely together to tackle tax abuse and financial crime. We have also all made commitments to meet international standards on tax transparency and countering illicit financial flows, including all of those set by international bodies such as the Organisation for Economic Cooperation and Development (OECD) and the Financial Action Task Force (FATF). This means that OTs are committed to meeting the most exacting forms of international tax transparency.

We have several key arrangements with the OTs that are important to disrupting illicit financial flows. Since 2016, all OTs with financial centres have taken part in the 'Exchange of Notes' (EoN). Under the EoN, these OTs share confidential information on company beneficial ownership information with UK law enforcement. Beneficial ownership information shows the real, human owners of corporate entities and allows us to see who benefits from an entity's operations and profits and controls its activities. Indeed, information shared by OTs under the 'Exchange of Notes' supported the National Crime Agency's first Unexplained Wealth Order that froze approximately £25 million. The arrangements are working well and provide UK Law Enforcement authorities with useful information to support ongoing criminal investigations.

It is also the UK Government's view that a drive to greater transparency is not only right, but also essential to safeguard against tax abuse and every other economic crime. Public registers of beneficial ownership are an essential tool in the fight against illicit finance and corruption; they also provide substantial wider benefits to public trust in institutions and transparency in the business environment. The UK Government is committed to ensuring that public registers of beneficial ownership become a global normal, including in the OTs (and Crown Dependencies). We are working with the OTs to improve transparency of beneficial ownership, and we are making good progress.

Gibraltar introduced a public register that went live in 2020 and in December 2023 I laid a Written Statement (HCWS150 - [Written statements - Written questions, answers and statements - UK Parliament](#)) in the House of Commons that outlined OTs' commitments and timelines to implement public registers. These would either be public registers accessible to all members of the public or public registers with access to beneficial ownership information predicated on having a 'legitimate interest'. Where public access is predicated on having a 'legitimate interest', I have clearly stated to OT Governments the UK's expectation that this will not be unnecessarily restrictive and will allow access for media and civil society organisations, among others. Furthermore, I have been clear that access predicated on a 'legitimate interest' must be an interim step to providing access to all members of the public in due course. I most recently discussed this with OT leaders at the UK-OT Ministerial Illicit Finance Dialogue in March 2024, where I re-stated the UK's position on the correct direction of travel for these critical reforms.

Progress on this agenda is best made by working together, across the UK and OTs, as equal partners. In this spirit, the UK is providing technical and financial assistance to expedite implementation in 2024 of these important reforms via an expert NGO, Open Ownership. As of May 2024, Open Ownership are providing advice to the Governments of Anguilla, British Virgin Islands, Cayman Islands, Montserrat, St. Helena, and Turks and Caicos Islands. The UK Government will provide a further update to Parliament in due course.

I hope this clarifies the Government's position on this matter.

With best wishes,

A handwritten signature in black ink, appearing to read 'David Rutley', with a horizontal line underneath it.

David Rutley MP
Minister for Americas, Caribbean and the Overseas Territories