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Collas Crill quoted in Reports Legal offshore report

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Collas Crill's Group Managing Partner Jason Romer has been quoted extensively in Reports Legal's latest offshore report which covers the impact of the Ukraine war and sanctioned clients, as well as transparency in the BVI and the predicted economic downturn.

On the situation in Russia, and how offshore law firms are dealing with sanctions compliance, Jason said that the impact of the Ukraine war as *'the biggest thing we've had to deal with'.*

He said: *'The challenge for us has been less than for some businesses. Nevertheless, we've turned away quite a lot of work – either where competitors have ceased to act for clients and they've come looking for alternative providers, or where we've had existing clients who are looking to do work where we don't feel comfortable.'*

With regards to a law firm's duties in representing sanctioned clients, he commented:

'Law firms are being asked to step into a place they haven't been before: to act as moral policemen. It's not just around the legality of what's being done, but the morality of what's being done. That puts law firms in a position they haven't had to take so overtly before.'

In light of the BVI judgment regarding Russia's VTB bank, and the opposing stance taken by the Jersey Law Society over the termination of retainers on the basis of reputational issues associated with acting for Russian or Belarusian clients, Jason said: *'This is a new era, where, very publicly, people are being asked to take a moral stance on who they do or don't act for.*

'*You can see that moral dilemma being played out right across the world, but particularly acutely in the difference between that BVI judgment and the position that the Jersey Law Society has taken...the BVI courts have taken one position, the Jersey Law Society has taken a diametrically opposite position, and it's up to the law firms to work out what the right position is.'*

In terms of the prediction of global 'stagflation' and an 'economic hurricane', Jason said: *'We haven't seen any evidence of it yet, but we're anticipating a recession. Everything that's happening with oil prices, commodities and interest rates rising, we'll feel that in the latter half of the year.' In terms of economic cycles, he notes, offshore tends to lag behind onshore by about six months.'*

On the introduction of the Economic Crime (Transparency and Enforcement) Act 2022, along with the anticipated new register of overseas entities (ROE) in the BVI, Jason referred to the wider issue of client privacy:

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'The BVI is extremely adaptable, always has been and always will be. That has international appeal for lots of reasons not linked to tax evasion. Does it respect the principles around privacy and anonymity? Yes. Do the financial institutions in the BVI have to hold that information? Yes, they absolutely do. Does it have to be published? It looks like it may have to be published going forward if it's used to hold UK property.There's quite a lot of UK property owned through BVI structures - that's a desire for anonymity rather than tax evasion.

'Herein rages a debate about why does everything have to be public. People are entitled to privacy; there are privacy laws. The main benefit is anonymity. Even in small jurisdictions, where people might be moving into Guernsey or Jersey, they still choose to hold their property sometimes in a trust structure because they want anonymity and don't want people knowing their business, or how much they've spent on their house, or how much it's worth.'

Click here to read the publication in full.

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