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Call for a fresh crackdown on tax havens

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France and Germany on Tuesday proposed a fresh crackdown on tax havens and offshore financial centres, insisting that banks that use them be forced to put aside higher capital to offset the risk to the financial system.

Christine Lagarde, French finance minister, and Peer Steinbrück, her German counterpart, said that they wanted leaders meeting at the G20 summit on April 2 to sign up to the idea that banks and insurers should be forced to disclose their use of tax and regulatory havens in their annual regulatory filings.

They would have to provide regulators with information about the size and nature of their transactions with these jurisdictions – data that could be used to trigger higher capital requirements.

The move is the latest attempt to set the agenda for the G20 summit in London, amid fears in the French and German capitals that the meeting might fail to tighten financial regulation.

Paris has recently proposed clampdowns on hedge funds and bankers' bonuses, in both cases using the threat of tougher capital requirements as a way of reducing what it believes to be excessive risk-taking.

The two governments also want the G20 summit to approve new blacklists of jurisdictions that refuse to co-operate with the tax or regulatory authorities of other countries.

Ms Lagarde called on G20 countries to vow to end bilateral treaties with territories that refused to co-operate with other governments.

"We want to act with determination on non-co-operative centres in fiscal, prudential or money laundering matters," said Ms Lagarde.

The OECD is drawing up a fresh list of non-co-operative tax havens. The existing list includes only Monaco, Andorra and Liechtenstein.

Speaking at the same meeting in Paris, the French and German central bank governors confirmed that the European Central Bank was studying whether it could boost the eurozone economy by launching a programme to buy corporate debt.

Such a move would follow similar action by the Bank of England and US Federal Reserve. The ECB would favour a targeted programme involving corporate bonds or commercial paper, rather than buying government debt. The ECB's governing council is widely expected on Thursday to cut eurozone interest rates by another half a percentage point to 1.5 per cent, the lowest ever.

Additional reporting by Vanessa Houlder in London