

The City of London Corporation

The quasi-independent tax haven in the heart of London

The City of London Corporation (the City), also colloquially called the 'Square Mile' for its 1.2 sq. miles of area, is the financial and commercial hub of Britain. Its origins are rooted in the Roman Empire's conquest of Britain, in the first century AD, during which the Romans established the settlement of Londinium (London). This settlement initially served as a river crossing for the army, but, the army supply route meant that merchants from across the empire flocked into this new market, which flourished into a bustling trading centre, attributed in part to its riparian location on the banks of the Thames and for its road connections with Aquae Sulis (Bath) and Calleva (Silchester), now a Roman vestige. Londinium's notoriety for all things money-related was further emphasised by the procurator's presence responsible for all the finances of Britannia.

Circa one thousand years onwards from the Roman epoch, King William I of England (or William the Conqueror) decisively defeated King Harold Godwinson at the Battle of Hastings in 1066, thereafter conquering all of England and Wales in the process, with the exception of London, whose sturdy fortifications quashed William's Norman onslaught. A settlement succeeded a truce wherein London was granted special rights and privileges by the King, in return for Londoners recognising the sovereignty of the ruling Monarch. This agreement of historic proportions marked the commencement of London's special status as we know it. In a show of defiance, King William I built the Tower of London in order to stamp his authority over his kingdom. King Edward the Confessor, who had made William his heir presumptive, began the construction of an abbey, in the mid-11th century, on a new site lying westwards of the City of London, which was to be called Westminster. The name 'Westminster' is a derivation of *west* (denoting west of London) and *minster* (a large or important church). The status of a city in England used to be bound to the presence of a cathedral. Westminster became henceforth the City of Westminster. The status of the City of London is recognised by the presence of St Paul's Cathedral, which houses the diocese of London. Winchester used to be the capital city of England, until the 12th century when this status gradually shifted to the City of Westminster. The Royal Palace of Westminster, built in the 11th century, was once the primary residence of the monarchy, until a fire destroyed much of the complex in 1512. After it was rebuilt, the new Palace of Westminster continued to serve as the house of Parliament, as it had done since the 13th century. As time went by and population increased in and around Westminster, new boroughs were formed, with the whole merging together as one contiguous entity to formulate the metropolis of Greater London; but, the City of London resisted merging systematically. Attempts have been made to structure a uniform system throughout London. The Crown asked the Corporation of London in 1632 to extend its privileges and institutions to the new areas of London, but the Corporation refused. The City of London turned its back on London as a city. The "Great Refusal" of 1637 defined the modern history of London as a 'tale of two cities'.

As a result of strife and altercation under the reign of King John, the City of London, which assisted in financing the King's army, gained in return the right to govern itself, with vast powers given to the Lord Mayor, the figurehead of the City, who is elected by Aldermen and livery companies on an annual term, and, resides in Mansion House.

The City of London's independence from English rule was reaffirmed under clause 13 of the 1215 Great Charter (the Magna Carta) stating: *"The city of London shall enjoy all its ancient liberties and free customs, both by land and by water. We also will and grant that all other cities, boroughs, towns, and ports shall enjoy all their liberties and free customs."*

The voting system for choosing a Lord Mayor is peculiarly esoteric. There are a total of twenty five wards in the City, with one Alderman in each. The number of votes for livery companies is determined by the size of the workforce, and not as an aggregate. Mere residents of the City of London do not partake in the voting process. In order to qualify for election to the Lord Mayoralty, one must have served as a City Sheriff and be a current Alderman. The ideal candidate should also command a high net worth, as it is expected of Lord Mayors to make at least one sizeable donation during their term to the Corporation of London.

Situated on a site where a Roman amphitheatre once stood is the Guildhall, which is the ceremonial and administrative centre of the City of London. The Guildhall houses the governing assembly of the Court of Common Council—City of London's primary decision-making body—comprised of a Lord Mayor, Aldermen, and, the Commons of the Corporation of London. In order to stand for election, as an Alderman or Common Councilman, candidates must have been bestowed the 'freedom of the City of London' as honorary Citizens of London. The medieval title 'freeman' used to mean somebody who was not the property of a feudal lord, and who could enjoy privileges such as the right to earn money, own land, and drive sheep across London Bridge. The Guildhall is named after a medieval association of craftsmen and merchants. Complementary to the Guildhall sitting on a historic Roman site, the Bank of England, the UK's central bank, was once located elsewhere, on a site where a Roman temple stood: the London Mithraeum (Temple of Mithras). When one closely observes the façades of the UK's major banks, one can easily discern the kind of architecture befitting temple designs, with ornamental pediments, pillars, columns and arches.

The flag flown aloft the Palace of Westminster is the Union Jack. This is the national flag of the United Kingdom, and is the harmonization of three flags: (i) the flag of England (the cross of Saint George); (ii) the flag of Scotland (the saltire of Saint Andrews); (iii) the flag of Northern Ireland (the saltire of Saint Patrick). This flag is not unfurled by the City of London, except on occasions to represent the Crown.



The flag flown aloft the Guildhall and Mansion House is the flag of the City of London. This flag is comprised of the cross of Saint George, with the sword of Saint Paul on the top-left hand corner. This flag is very similar to the Christ Hospital seal. What sets these flags apart is that, the former is comprehensive of the entire kingdom, whereas the latter is not; as though it depicts a separatist state within the kingdom.

The Metropolitan Police (the MET) is the police force which operates in Greater London. This force does not operate inside the City of London except in instances where needed, upon request by the Corporation of London. Its crest features a crown on its coat of arms, which symbolises the Crown (the legal embodiment of the state).



The City of London Police, founded in 1839, is the police force which operates inside the City of London. Its powers of enforcement are bound to within a prescribed geographical area, and it carries out its tasks independently of the MET. Its crest does not feature a crown; however, it is shown on the insignia of senior police officers.

As the Chief Magistrate of the City of London, in addition to heading the Corporation, the Lord Mayor's powers nominally extend to the judiciary. Together with Aldermen, the Lord Mayor is entitled to sit on the judges' bench at the Central Criminal Court of England and Wales (colloquially called the Old Bailey) without participating in court proceedings. The Lord Mayor may be present, but, abstains from exercising authority. When put together, some cynics could be forgiven for alluding to the City of London being a *prima facie* case of an independent state in the heart of the capital, just like the Vatican City State in Rome. A fringe belief of this sort, however, is a misconception. The City of London is in fact a part of the United Kingdom, but, nonetheless, unique. It is best put as a system of independent governance, like none other. King Charles II once tried in 1683 to indefinitely cleanse the City of its powers, but, they were swiftly restored in 1690 after the Glorious Revolution, during which King James II had been overthrown by a union of Parliamentarians. The City of London for its part declared: *"...that the mayor, commonalty and citizens of London shall for ever hereafter remain, continue and be, and prescribe to be, a body politic, in re, facto, et nomine ... and shall have and enjoy all their rights, gifts, charters, grants, liberties, privileges, franchises, customs, usages, constitutions, prescriptions, immunities, markets, duties, tolls, lands, tenements, estates and hereditaments whatsoever."*

The City of London predates Parliament by several hundred years. Parliament has no power of authority over the City of London, and vice versa. Parliament has powers to make legislation affecting the City of London; however, any suggestion brought forth to the Corporation of London falls within its discretion, without liability of enactment. To keep a watchful eye on all legislation passing through Parliament, and to safeguard its exclusive rights and privileges, the City of London has a permanent representative, called the City Remembrancer, who sits in Parliament beneath the Speaker's chair to observe House of Commons proceedings. The Remembrancer is the City of London's envoy. Should Parliament contemplate any legislation against the City's interests, the Remembrancer is duty-bound to communicate such matters to his peers, whereupon it shall lie within the Guildhall's purview to engage a City Sheriff to petition Parliament against any unsavoury bill. The City of London wields abundant clout for the finance which it provides to the country. The Bank of England, being the lender of last resort, obtains its currency reserves through credit; better explained as "debt". To raise funds, bonds, in the form of treasury guilds, are traded on an exchange in return for currency.

The City is key to furnishing the Bank of England's coffers, notwithstanding those of the mainstream political parties, whose generous donations provide much vital capital whenever election campaigns get underway. Banks and multinational corporations are seated in the City of London for strata and profit, whose tax breaks are assured by the City's independence. London City Airport, conveniently located in the Royal Docks where private jets are up for hire, is several minutes away by rail. The City of London is the UK's quasi-independent tax haven, and is intimately linked to other satellite tax havens around the globe, as are the Crown Dependency islands (Guernsey, Jersey and Isle of Man). The City of London's unpopular reputation was compounded after five banks (RBS, HBOS, Lloyds, Northern Rock and Bradford & Bingley) went under in 2008 and were bailed out by public money for a combined rescue package amounting to 850 billion pounds sterling, as per the National Audit Office. In spite of it all, bank bonuses, pay rises and irresponsible speculative trading, looked upon as incongruous by public opinion, carried on unabatedly, as if nothing was in the air.

A Royal Commission recommended during the 1890s to amalgamate the Corporation of London into the rest of London's boroughs, to no avail. The City of London stands tall and proud as the vanguard of global capitalism, and, it has never looked stronger. In contrast with the populist mantra, the camp supportive of this financial powerhouse makes the case that the UK's interests are vested in the City's continuity, emphasising that its existence is a matter of economic prosperity and national security; increasingly so when in times of war, budget shortfalls, insufficient tax funds and resources call on the government to raise the national debt threshold to acquire finance. There are some precedents to back-up these arguments. The British Empire comprised at its height the world's vastest conquest; a feat made possible by flourishing trade and finance drawn from the City of London. The empire derived ample benefit from its overseas colonies both economically and geopolitically. The United Kingdom's make-up and status on the world stage, either as the head of the Commonwealth of Nations or as a permanent member of the United Nations Security Council, abundantly owes, for right or wrong, much of what it has to its associated links, past and present, with the City of London.