

**WRITTEN QUESTION TO THE
MINISTER OF EXTERNAL RELATIONS AND FINANCIAL SERVICES
BY DEPUTY M.R. HIGGINS OF ST. HELIER
QUESTION SUBMITTED ON MONDAY 11th APRIL 2022
ANSWER TO BE TABLED ON WEDNESDAY 20th APRIL 2022**

Question

“Following the unprovoked Russian invasion of the Ukraine, will the Minister advise members –

- (a) the total value of Russian-owned assets that have been placed in and transferred through Jersey from sanctioned and non-sanctioned Russian legal and natural persons;
- (b) the total value of assets that have been placed in and transferred through Jersey from sanctioned Russian legal and natural persons;
- (c) what compliance issues, if any, have been identified by the various authorities who are working on the implementation of sanctions; and

the Government’s position regarding future Island business with the Russian Federation?”

Answer

Since Russia’s illegal and unjustified invasion of Ukraine, Jersey has aligned with the UK and other international partners in implementing a severe and wide-ranging package of sanctions measures.

The answer to the total value of Russian owned assets in Jersey is not a figure that the Government holds, nor is it a figure that would be easy to monitor given variation. The data available that might contribute to such a figure is subject to many variables and would only provide a snapshot of a particular moment in time. The JFSC (as the finance industry regulator) has maintained a general view of exposure of the industry and continues to monitor that position.

The UK’s sanctions regulations are a robust package of restrictions on financial services, imports, exports and travel, and at the current time, over 1200 individuals and more than 100 entities are subject to asset freezes under the Russia financial sanctions regime. Any new asset-freeze designations will take effect immediately, which means any related funds or economic resources held in Jersey must be frozen without notice and without delay.

There is a legal obligation on financial institutions and others to report on compliance issues in connection with the Russian sanctions regime and I have committed to providing regular updates on the certain information that is reported to me. Last week I reported the total value of frozen assets reported to me as at the end of March. This totalled £713,300,000 and is rounded up to the nearest £100,000. I will publish a figure for April in May.

Jersey’s sanctions regime has been in place for many years and there is a well-established process in place for the swift and effective implementation of UK sanctions.

I set out the Government's position, in a joint statement with the JFSC last month which confirmed that there is a significantly increased level of risk in providing services to customer relationships associated with Russia, and for new relationships it may not be possible to adequately mitigate the risk of sanctions evasion. All regulated entities on the Island remain obligated to carry out due diligence on a risk basis in this regard.