

STATES OF JERSEY



JERSEY FINANCIAL SERVICES COMMISSION: COMPANIES' REGISTER (P.87/2010) – COMMENTS

**Presented to the States on 28th September 2010
by the Minister for Economic Development**

STATES GREFFE

COMMENTS

The Minister for Economic Development will oppose the proposition lodged by Deputy P.V.F. Le Claire of St. Helier on the following grounds –

1. Relations with the Jersey Financial Services Commission fall within the remit of the Minister for Economic Development and not that of the Minister for Treasury and Resources, and therefore if a consultation were to be carried out as suggested, this ought properly to be done by the Minister for Economic Development.
2. The issues mentioned raise questions of wider concern and therefore, before any decision is made, a widespread consultation exercise ought to be carried out (not only a consultation with the Jersey Financial Services Commission).
3. In relation to part (a) of the proposition, the registrar of companies has existing powers to prevent companies being registered with names which are “misleading or otherwise undesirable”. The Registrar of Companies has informed me that he uses these powers to prevent companies from being incorporated with the names of dissolved companies in circumstances where this might give rise to confusion. This system allows for greater flexibility than would be the case if there were explicit provisions forbidding the incorporation of companies with identical or similar names to previously dissolved companies.
4. In relation to part (b) of the proposition, the proposed new duty on financial services providers will impose an extra cost on them. It is not clear whether financial services providers currently have in place systems which would allow them to conduct a search of the kind envisaged. This year, the registrar has issued strike-off notices in relation to over 1,500 companies, which gives some idea of the number of searches which financial services providers would have to carry out. Any addition to the cost of doing business in the Island will adversely affect our competitiveness internationally.
5. Also in relation to part (b) of the proposition, I am not aware that there is a significant problem in relation to transactions purportedly being carried out on behalf of dissolved companies. Such transactions would in any case be void. It therefore seems possible that the proposed solution would impose costs out of proportion to its benefits.