

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 6th OCTOBER 2009**

Question

Can the Chief Minister inform members whether the practice of making payments through non-trading or other companies registered in Hong Kong or elsewhere, revealed in the Panorama programme on Lloyds TSB Jersey, in order to avoid the EU Savings Tax is widespread and whether he is aware of an estimate of the total tax avoided in this way?

Will the Minister also advise members what measures, if any, he has under consideration to eliminate such tax avoidance in order to protect the Island's reputation in Europe and elsewhere?

Answer

The particular circumstances revealed in the Panorama programme are currently being investigated by Lloyds TSB. There is no reason to believe that this is other than an isolated incident as the bank has stated. However we will have greater certainty once the results of this investigation are known and have been fully considered by the Jersey Financial Services Commission. I will then be in a position to respond to the Deputy's question. What I can say however is that if evidence is forthcoming that suggests that further action is required to ensure that the Island's present excellent reputation for compliance with international standards of financial regulation, anti-money laundering and transparency and information exchange for tax matters is protected, the Assembly can be assured that the necessary action can be expected to be taken by the relevant authorities.