

## **2.2 Deputy M. Tadier of St. Brelade of the Chief Minister regarding Jersey's stance in relation to Special Purpose tax vehicles:**

Further to his response to an oral question on 26th June 2012, what mechanisms, if any, does the Chief Minister have in place to ensure that the finance industry understands and agrees with his definition of "the long-term best interest of Jersey" and how will he be made aware of what special purpose vehicles exist locally and whether they meet this criteria?

### **Senator I.J. Gorst (The Chief Minister):**

I am meeting with financial industry representatives and discussing with them how the long-term interests of Jersey are to be best served. I do not want at this point to anticipate or pre-judge the outcomes of those meetings, however, the activities of all sections of the industry will be addressed and that will include special purpose vehicles.

### **2.2.1 Deputy M. Tadier:**

Perhaps in a moment the Chief Minister can give a timescale to when that meeting will happen. I know he is a very busy man and meetings maybe do not always happen as quickly as he would like. Does he stand by his comments that there is no wish or need to accommodate or give encouragement to those who would seek to involve Jersey in aggressive tax-planning schemes? If so, how will he endeavour to convey that impression to those in the finance industry who may be operating perfectly legal schemes which do not meet the criteria of being in the best interests of Jersey?

### **Senator I.J. Gorst:**

I think I have probably already answered that question previously in this Assembly. Of course I stand by my comments and, as I have said, I am having a number of meetings I hope to be completed before the summer. I have to say, so far the general consensus appears to agree with the comments that I have made.

### **2.2.2 Deputy G.P. Southern of St. Helier:**

Does the Minister agree with the words reported of Mr. Cook the M.D. (Managing Director) of Jersey Finance Limited that says: "For the record, Jersey will accommodate legally-planned tax schemes. If these schemes are challenged by H.M.R.C. (Her Majesty's Revenue and Customs) and deemed to be illegal, Jersey will not house them." Is that a correct statement of our position?

### **The Bailiff:**

Standing Order 10 says: "A question shall not ask whether any statement made by any individual who is not a Member of the States is accurate" which I think you have just done, Deputy.

### **Deputy G.P. Southern:**

I asked the Minister whether he agreed with that statement and whether that reflected his position.

### **The Bailiff:**

I suggest you ask the Chief Minister whether he agrees with it.

### **Senator I.J. Gorst:**

The inference of the Deputy's question is that those positions - the one I have taken and the comments that I have made, and that of the Director of Jersey Finance Limited - are opposed. They are not opposed; they both state accurately the situation.

### **2.2.3 Deputy G.P. Southern:**

Is it the case then that Jersey will accommodate legally-planned tax avoidance schemes?

**Senator I.J. Gorst:**

As I have just said, I see no conflict between the statement that I made and the statement that the Director of Jersey Finance made.

**2.2.4 Deputy T.M. Pitman of St. Helier:**

Is it not reality when the Chief Minister's Minister for Treasury and Resources - I think it was and correct me if I am wrong - goes on TV and makes the excuse: "Well it is Jersey but it could have been Delaware or it could have been the Caymans", does that not send out the real message to Jersey that all we are going to get is lip service, blame someone else and carry on doing what we are doing which, while it might be legal to many people, is totally repugnant in these economic times.

**Senator I.J. Gorst:**

The Minister for Treasury and Resources was absolutely right and I have rehearsed the argument in this Assembly. It could have taken place in any number of those jurisdictions which I spoke of in this Assembly and which the Minister for Treasury and Resources spoke of in this Assembly. Jersey has an active policy of complying with all relevant international standards. If we look around the globe and if we look at the comments made by international standard-setting bodies we find that Jersey is far more compliant than a lot of other jurisdictions. Some of those jurisdictions are those which the Minister for Treasury and Resources mentioned in his response.

**The Bailiff:**

Do you wish a final question, Deputy Tadier?

**2.2.5 Deputy M. Tadier:**

I think the final question has to be whether the Chief Minister thinks it is morally acceptable that places like Jersey, but which could also be Delaware, the Cayman Islands or Monaco, promote schemes, or are used for schemes, which allow individuals maybe in the U.K. (United Kingdom), maybe in Europe, or in third world countries to avoid paying tax which would be payable in their own jurisdictions, which would be helping the infrastructure in their own jurisdictions, especially during these austere times, to not pay that money and therefore for their own residents to not benefit from that money as a result to Jersey's benefit? Is the Minister completely comfortable with that situation?

**Senator I.J. Gorst:**

Tax codes and simplicity of tax arrangements are something which also I have commented on in the past. I do not necessarily believe that the link made by the Deputy is quite as straightforward as he and some other N.G.O.s (Non-Government Organisations) would have us believe and this is part of the problem. We have a simple, straightforward low tax rate and we believe that that provides the best economic advantage to our jurisdiction. Other countries are starting to see that perhaps their complex codes do not provide quite that economic advantage. Therefore, I do not, as I have said, necessarily draw the link that the Deputy has inferred.