

**WRITTEN QUESTION TO THE CHIEF MINISTER  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 24th FEBRUARY 2015**

**Question**

Following my written question of 20th November 2012 and question without notice on 5th November 2013, will the Chief Minister inform members whether the Jersey Financial Services Commission has reported on the findings resulting from its investigation into the extent of breaches of Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regulations previously reported in a U.S. Senate investigation into the activities of HSBC Middle East in Jersey?

If so, will the Minister inform members what sanctions, if any, the JFSC has imposed on the Jersey branch of HSBC Middle East, as a result of any AML/CFT breaches found?

If not, will the Minister inform members why this investigation has taken so long, and despite the assurances of the former Minister for Economic Development that "*we can be confident that the regulator will act properly and decisively in accordance with its mandate,*" whether and when we can expect any action at all?

What measures have been put in place by the Jersey authorities to ensure that the standards of governance and compliance of Jersey HSBC subsidiaries, such as HSBC Middle East, are much higher than those recently exposed in HSBC Switzerland by the International Consortium of Investigative Journalists?

**Answer**

I am informed by the Jersey Financial Services Commission that the scale of the two year review undertaken by the reporting professional has been significant and resulted in the delivery to the Commission on the 19 December 2014 of a twelve thousand page report which is being reviewed and considered in detail. Clarification of points made in the report are currently being pursued. HBME has cooperated with the review and has devoted extensive resources to assist the reporting professional and the bank has consistently demonstrated a commitment to strengthen their AML defences wherever necessary. Any remediation plan will be monitored by the Commission.

No comment can be made on the issue of what may be an appropriate sanction as the Jersey Financial Services Commission will need to follow its published decision making process.

On the subject of the measures that are in place to ensure HSBC Jersey's compliance with high standards of governance I would refer the Deputy to my answer to written question 8640.