

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 10th MARCH 2015**

Question

Can the Minister assure members that the mechanisms employed by “Locate Jersey” to encourage high net worth individuals to register and invest in business in Jersey are in no way similar to those used by HSBC Switzerland, whereby wealthy individuals were encouraged to transfer their funds from a savings account to a corporate account (with no genuine trading activity) to evade the European Union Savings Tax Directive (EUSD)?

Answer

I am unable to comment on the procedures employed by specific banks but I can assure members that every effort is made to protect the reputation of Jersey when reviewing applications for residency from High Net Worth clients.

Those applying for residency in Jersey go through a robust application process. Locate Jersey officers consult with officers at the States of Jersey Financial Crimes Unit and the Jersey Financial Services Commission and carry out a background search in World Check. Applicants provide detailed information on their income and wealth and are met by officers before the application dossier is submitted to the Comptroller of Taxes and to the Population Office for approval.

There is no room for complacency and we are constantly reviewing the procedures to ensure that the reputation of the Island is protected. Jersey has a very strong reputation for high levels of appropriate regulation and intermediaries and banks are required to carry out appropriate KYC to meet these requirements.

Those qualifying for residency under the 2(1)(e) policy are taxed on their worldwide income and are not required to transfer funds to Jersey. These clients are increasingly establishing business on the Island and employing staff in addition to using local service providers.