

2019.05.21

**7.1 Deputy K.F. Morel of the Minister for External Relations regarding public registers of beneficial ownership:**

Is the Government proposing to reconsider its position on public registers of beneficial ownership and, if so, could the Minister explain the reasons why?

**Senator I.J. Gorst (The Minister for External Relations):**

It should be no surprise to Members that Ministers and officials regularly review the policy landscape and progress with international standards. On the topic of beneficial ownership transparency, we are cognisant of the progress of the 4th and 5th Money Laundering Directives in Europe, as well as the work of the Financial Action Task Force. In addition, conversations have continued with counterparts in Guernsey and the Isle of Man as we consider co-ordinated action in this policy area. It is this sort of continuous review by a responsive and responsible Government that inspires confidence in our autonomy and rights of self-determination.

**Deputy K.F. Morel:**

I would appreciate an answer to my question, please. Thank you.

**Senator I.J. Gorst:**

I am sure that the Deputy is not being flippant, but I gave an answer to his question. He surely understands what is in the 4th and 5th Anti-Money Laundering Directive and he also, in his role I know, understands the work that the Financial Action Task Force is currently under way.

**7.1.1 Deputy K.F. Morel:**

I will take it as, yes, the Government is proposing to reconsider its position on public registers of beneficial ownership, unless the Minister states otherwise. If so, could he explain upon what evidence this decision is being taken? Could he confirm what I have heard is that the Governments of Guernsey and the Isle of Man are not in accord with this position?

**Senator I.J. Gorst:**

This Government takes long-term decisions in the benefit of Islanders and it works together with Guernsey and the Isle of Man. It does so, certainly, in regard to international and external matters and it is doing exactly that in regard to the publication ... as I answered a question in Scrutiny only last week in regard to an action plan that the 3 islands are working upon in response to the policy direction and the requirements of the E.U. (European Union) Member States and the work that it is also doing, as I said, in regard to the review of the Financial Action Task Force. The Deputy will be aware that the approach of being a good neighbour to the European Union is not a new approach. We unilaterally and voluntarily agree to the E.U. Savings Tax Directive. We unilaterally ... I say unilaterally, we did it as 3 islands and voluntarily complied with the code of conduct on business taxation that led to the implementation of Zero/Ten across the 3 islands; not just in Jersey. We voluntarily and unilaterally - that is together with the other 2 islands - introduced substance legislation only recently, to ensure that we were not blacklisted and not seen as unco-operative. That is not a new policy position, it is the right policy position. It has served Jersey well. It has meant that we have had a business and financial services sector which has continued to see growth, unlike some places around the globe. We are not going to simply change policy, as perhaps has been suggested and we are very closely working together. I am not sure where the Deputy has got his information from, but he is incorrect in that regard.

**The Deputy Bailiff:**

I will allow a final supplementary, Deputy, if you want.

**7.1.2 Deputy K.F. Morel:**

I am sure the Minister is aware that France, in 2016, when it tried to bring in the public register of beneficial ownership, the trust had it struck out by the courts on the grounds of privacy, because it is a flagrant breach of people's privacy. The finance industry in Jersey has said that the privacy of their clients is important and that to breach this privacy would pose a threat to the Island's finance industry. Does the Minister agree that a public register of beneficial ownership could harm the Island's finance industry?

**Senator I.J. Gorst:**

What the Minister agrees is that detailed, difficult question policy changes, which are happening around the globe all the time. What we cannot do is put our heads in the sand and not respond to what is happening in the European Union. The Deputy talks about France and, of course, the French Constitutional Court did make that observation, but France is still non-compliant with A.M.L.D. (Anti-Money Laundering Directive) 5, introducing a public register. Some Member States are seeking to take longer than others and there is not yet an E.U. standard; there will, of course, in due time be that. We, in Jersey, must, as we have always done, it has been the core of our success, respond to those global and regional standards, making our case and changing legislation, reviewing our policy, together with our fellow Crown Dependencies, to make sure that we meet the very best and most appropriate international standards. In this regard, we will continue to do so and we do it not only in conjunction with our fellow Crown Dependencies, but also in consultation with industry here in Jersey, so that their, together with Islanders', best interests can be met, because we believe that they are absolutely aligned.