

2023.12.11

6.1 Deputy G.P. Southern of the Chief Minister regarding the register of beneficial ownership (UOQ.4/2023)

I apologise to Members for the late call on this particular issue. Further to the recent House of Commons debate led by Dame Margaret Hodge M.P. (Member of Parliament), has there been any renewed pressure on the Chief Minister to follow through with the commitment to publish a public register of beneficial ownership and what is the current position of the Government in relation to such a register?

Deputy K.L. Moore (The Chief Minister):

The content of debates in Westminster are a matter for the U.K. Parliament, just as the content of debates in this Assembly are a matter for us. We are aware, however, that during the debate last week some inaccurate comments were made about Jersey and the other Crown Dependencies, including the suggestion that the U.K. Parliament is able to legislate for us in this area. That is not the case and we have reiterated this fact to our colleagues in the United Kingdom. We will continue to engage to ensure that points of inaccuracy that arose in the debate are addressed. There have been discussions with the U.K. Government for some time on the subject of increasing access to Jersey's register of beneficial ownership. In 2019 the Crown Dependencies made a commitment to move towards public registers in a staged manner, conditional upon progress towards open access taking place in the E.U. (European Union). In 2022 the European Court of Justice issued a landmark ruling recognising the serious breaches of privacy and human rights that public registers may entail. As a consequence, many E.U. registers have suspended public access. The Crown Dependencies are carefully considering our position concerning the judgment and believe that continuing with public registers would cause serious breaches of our own privacy and human rights laws. With Guernsey and the Isle of Man we are at an advanced stage of agreeing a revised commitment around the public transparency of our register and we intend to publish a statement later this week, along with the revised commitment.

6.1.1 Deputy G.P. Southern:

If the U.K. wishes to seek leadership on this issue, public registers, it cannot be taken seriously as a world leader on financial transparency. It does not do more and it is not seen to do more to stop Overseas Territories and Crown Dependencies like ours being used as havens for individuals to evade their obligations. Does the Minister agree?

Deputy K.L. Moore:

I do not. I think the Deputy's question shows a level of misunderstanding on his part and I think perhaps we should propose some briefings to him, as we do to others elsewhere. We have for decades had a register of beneficial ownership that is vetted and verified. It has been held out as a shining example to other nations of how to put together such a register. It is something that we are proud of and it is a matter for the U.K. Parliament how they wish to manage their own affairs.

6.1.2 Deputy S.Y. Mézec:

Jersey's register of beneficial ownership, as we know, is of substantially better quality than the register that the United Kingdom has in terms of the accuracy of its information on it. I have seen some commentary on this issue in the U.K. about trying to widen the scope of access to that register, if not making it fully public at this stage and see where that goes but to allow for

some access to it for investigative journalists when they have a case to look at it if they are doing work that is clearly in the public interest. Is that something that is being considered as at least a step forward to improving the accessibility for non-government institutions that are acting in the public interest?

Deputy K.L. Moore:

I thank the Deputy for demonstrating his understanding of our position and I thank him for that. As I have mentioned earlier, the E.C.J. judgment has given rise to our consideration of the matter, particularly in and around legitimate interests. As I said earlier, I will be making a statement later in the week, I hope, to update Members.

6.1.3 Deputy S.Y. Mézec:

I am not 100 per cent clear on the specific issue that I asked, which was about access to that register for non-government or non-law enforcement agencies, such as investigative journalists, many whom we know have expertise in this area and want to unearth issues where they think harmful tax practices are occurring through U.K. Overseas Territories and Crown Dependencies. If the Minister is saying at this point that she does not want the register to be made fully public because of those concerns, will she at least say that she wants to improve accessibility to it when there is a public interest case from a non-government entity?

Deputy K.L. Moore:

I believe that is exactly what I said in my previous answer when I talked about legitimate interest. I look forward to updating Members later in the week.

6.1.4 Deputy L.J. Farnham:

My question has been partially asked and answered but the comments, as quoted by Deputy Southern, were made by a Labour Back-Bencher. How are the Government's current discussions with the U.K. Government proceeding on the matter, given the fact that Jersey works very closely with the U.K. Government in relation to those comments made by the Labour Back-Bencher?

Deputy K.L. Moore:

Sorry, I am not aware of the Labour Back-Bencher's comments that the Deputy is referring to.

Deputy L.J. Farnham:

The comments of Margaret Hodge M.P., as referred to in Deputy Southern's question.

The Bailiff:

Deputy Southern's question, Chief Minister, was a quotation from Margaret Hodge M.P. in part and that was one which he spring-boarded his question to you. Deputy Farnham is saying in the light of that, how is our Government working with the U.K. Government? Is that correct?

Deputy L.J. Farnham:

That is correct, Sir. To simplify the question: are the U.K. Government aligned with the comments of the Labour Back-Bencher or are we having more productive discussions with them?

Deputy K.L. Moore:

Sorry, I am struggling to hear the Deputy somewhat from this end of the room. I am not sure whether there is an issue with his microphone. I do not believe that the U.K. Government would be aligned with a Labour Back-Bencher.

[12:00]

The Bailiff:

I think the second part of the question, that was the first part, was: are the discussions between our Government and the United Kingdom Government more productive?

Deputy K.L. Moore:

Yes. We always maintain productive communications with the U.K. Government, whoever they might be.

6.1.5 Deputy M. Tadier:

It is to follow up on the question by Deputy Mézec about legitimate interest from, for example, outside journalists. If an outside journalist were, for example, to want to look at the affairs of, let us say, a Russian oligarch who is directly or indirectly connected to Vladimir Putin, who use Jersey to put his money in, how would the public interest in that matter be decided, given the fact that the public interest from a Jersey perspective or certainly from the Jersey Government's perspective might be different to the public interest of that of the U.K. or even Russia?

Deputy K.L. Moore:

The Deputy's question, I think, identifies how technical this area can be and it will need of course very careful consideration to set out a framework within which a legitimate interest can be defined and/or agreed. That is something that we will be briefing Members about later in the week and we will continue to make progress in this area, so that we are comfortable with the position that is arrived at. As I have said previously, we have been working with Guernsey and the Isle of Man to consider this important area. The Deputy of course also refers to potential subjects who might fall into our sanctions regime. Of course we have been very active as a Government in meeting those requirements and being the good global citizens that we are.

6.1.6 Deputy P.M. Bailhache:

Is the Chief Minister aware of an interesting article in the latest issue of the *Jersey and Guernsey Law Review* on this very topic? If not, would she like to read it?

Deputy K.L. Moore:

I thank the Deputy for the question. I had not seen that article and I would be most grateful if it could be shared with myself and my colleagues.

The Bailiff:

Supplemental question to that, Deputy Bailhache? In fact that now brings the time available for the urgent question to an end. You have a final supplementary, Deputy Southern. Yes, sorry, I ...

Deputy G.P. Southern:

I thought you were going to skip past me.

The Bailiff:

I was slightly getting confused as to where we were on your ...

6.1.7 Deputy G.P. Southern:

With the lightness of Tinkerbell. Public registers can also help to restore public faith in a tax system by helping to expose high levels of aggressive tax avoidance and evasion we know takes place. In the long-term, public registers can contribute to creating a fairer and less lopsided tax system. Does the Minister agree?

Deputy K.L. Moore:

I think my answer has made it quite clear that the European Court of Justice's judgment identified the need to protect the identities of the person. As this Assembly, we have created an Office of the Information Commissioner because we understand that people's personal information is something that should receive a level of protection. We do not, as an Assembly, I am sure wish to make the children of people targets for kidnap or worse simply because of who their parents may or may not be and any perceived wealth that they may or may not have.