



Economic and International Affairs Scrutiny Panel

Quarterly Hearing

Witness: The Minister for External Relations

Friday, 8th November 2019

Panel:

Deputy K.F. Morel of St. Lawrence (Chair)
Deputy J.H. Perchard of St. Saviour
Deputy D. Johnson of St. Mary

Witnesses:

Senator I.J. Gorst, The Minister for External Relations
Ms. K. Nutt, Group Director, External Relations
Mr. J. Silverston, Director of Financial Services
Mr. F. Holmes, Senior External Relations Officer

[10:31]

Deputy K.G. Pamplin of St. Lawrence (Chair):

Thank you for coming in. We are going to just obviously try and find out a bit more about the work of the External Relations Department today. Before we get going we will obviously start with the introductions, as we always do.

Deputy J.H. Perchard of St. Saviour:

I am Deputy Jess Perchard, member of the panel.

Deputy K.F. Morel:

Deputy Kirsten Morel, chair of the panel.

Deputy D. Johnson of St. Mary:

David Johnson, Deputy of St. Mary, member of the panel.

The Minister for External Relations:

I am Ian Gorst, Minister for External Relations.

Group Director, External Relations:

Kate Nutt, Group Director, External Relations.

Director of Financial Services:

James Silverston, Director of Financial Services.

Senior External Relations Officer:

Freddie Holmes, Senior External Relations Officer.

Deputy K.F. Morel:

Thank you. You have been travelling as always, Minister.

The Minister for External Relations:

Yes. In and out of St. Ouen to town.

Deputy K.F. Morel:

Exactly. We will start off, rather than looking abroad but looking closer to home, recently financial services has been put under your purview as Minister for External Relations, you are looking after financial services now. They have moved from the Chief Minister. I was just wondering how that was going and what key policy areas you have been looking at in the financial services area?

The Minister for External Relations:

In actual fact, right from the start of this term of office, the Chief Minister gave me the responsibility for financial services. It is just that the paperwork has taken some time to get completed. There are a number of ongoing initiatives where financial services work with others across government. Throughout the course of last year the main policy was working around the substance legislation with the E.U. (European Union) Commission. That work is ongoing. That is leading into a new registry law that the work on connected registers with the E.U. Commission and the other policy proposal steps that we committed to earlier this year. There is the work on the pensions regulation. We hope by the end of this year to be publishing a consultation document on pensions regulation. There is the ongoing work around the depositor compensation scheme, some short-term measures but ultimately the longer-term measure of moving the depositor compensation scheme under the wing of the J.F.S.C. (Jersey Financial Services Commission). That is ongoing, as the work with the

dormant bank account. I have just launched the Appointed Day Act this week. There is all the L.L.C. (limited liability company) legislation, which is connected with the registers work. We are also doing some work with the Community Savings Bank. There is the ongoing liaison work that we do with industry and the regulator, and importantly, as you know from the monies that we are asking for in the Government Plan, there is all the work around the national risk assessment and preparing for the next Moneyval assessment, which will review us in light of our compliance with the F.A.T.F. (Financial Action Task Force) standards.

The Deputy of St. Mary:

Can you remind us when the Moneyval inspection is please?

The Minister for External Relations:

I think it is pencilled in currently for 2022.

Director of Financial Services:

It is to be confirmed, but yes.

Deputy K.F. Morel:

Just picking up on some of those things, Minister. The substance legislation you mentioned, you are saying it is leading to the registry law but how has substance legislation ... what kind of impact has it had so far to your knowledge? Has it had much of an impact?

The Minister for External Relations:

It was very much a co-operative piece of work and we knew that even at the start there would be some potential detrimental impact to simple registered office work not being undertaken here was in line with other policy proposals that we have made over the years that Jersey should be a place of substance. We only want business which is going to be enhancing to our reputation and show that we meet the very highest international standards. Therefore, this piece of legislation, there is no doubt that it adds bureaucracy for businesses and they obviously are in the process of implementing those bureaucratic arrangements. But what it also does is protect and enhance our reputation by ensuring that we were white-listed by the E.U. Commission as a co-operative jurisdiction and that of course is ultimately good for business and good for business flows and investors wanting to use Jersey products and structures.

Deputy K.F. Morel:

You mentioned, obviously quite rightly, it is aimed at making sure that no name plate offices operate in Jersey. To your knowledge, do you know whether offices have closed down as a result of substances or left the Island as a result of the substances legislation?

The Minister for External Relations:

I do not have that first-hand knowledge in front of me as we sit here. But as we know, it would not be offices closing down as such, it would just be that element of the work that they were undertaking.

Deputy K.F. Morel:

When I say "offices" I mean the name plate. In theory, they are offices in Jersey.

The Minister for External Relations:

No, I do not have that evidence in front of me but I have got no doubt that in some cases that will have happened.

Deputy K.F. Morel:

Also you mentioned adding another layer of bureaucracy. When undertaking any legislation with regards to the financial services sector, are you cognisant of the effect of creating new layers of bureaucracy, adding new layers of cost on to the ability for businesses to successfully operate in the Island? Is that something which is of concern to you when looking at any sort of legislation?

The Minister for External Relations:

It is a difficult issue to manage because it is something that Government has to be cognisant of, not adding unnecessary bureaucracy. So when we are trying to meet emerging or relevant international standards there is inevitably an element of bureaucracy to deliver the changes the Government is proposing and legislating for. But we always endeavour to do it in a way which minimises that as far possible. It is without a doubt in consultation. It is a point which industry continues to force home to Government that you are adding this on top of this, on top of this, on top of this. It is the same issue with increased fees. It is easy for Government and legislators to think we will just add an extra £50 here or £100 here but it is the multiplying or growing effect of that that we just need to be continually mindful of. As ever, some of the larger players in financial services, the larger companies and banks, can manage that bureaucracy with technology in a more cost-effective way than some of the smaller operators. There is no doubt that from a global financial services perspective it is more and more difficult for small operations to compete and to meet those bureaucratic challenges unless they are at the very high end of added value.

Deputy K.F. Morel:

Do you think that could slow up ... Jersey is a very entrepreneurial place and do you think the fact that it is harder for smaller businesses to perhaps start up to get going could create a sclerosis in Jersey's economy or financial services industry?

The Minister for External Relations:

It is always something that one has to be mindful of. If we look at what has happened in financial services and in productivity, we know that the main driver behind the reduction in productivity is one that we in Government have encouraged and been absolutely cognisant of right from the start, which is low margins in the banking world, banking world shedding jobs because of increased technology and those lower margins. Therefore, pushing people into the wealth management sector and the trust sector, which has always had historically lower G.V.A. (gross value added) per employee, et cetera. It is absolutely the case that new entrepreneurial businesses have to, in order to compete, be high value so the old-fashioned lower value, more administrative-based smaller businesses do find it more difficult to compete and going forward will find it more difficult to compete unless they have got smart technological solutions to that bureaucracy. I see no reason why they cannot do that. That is one of the reasons why Jersey Finance and Digital Jersey are working now much more closely together than perhaps they were doing, even 2 or 3 years ago, to make sure that that technology, fintech companies, which covers obviously a multitude of sins, but basically it is about ensuring that technology can answer a lot of these questions. One of the reasons why we did all the work about the digital K.Y.C. (know your client) work, which again from smaller wealth management companies that was well received and they want us to carry on and try and find a solution to that. Some of the bigger banking brands do not see the value in it because they have got their own technology and they have got their own processes and they are not necessarily prepared to flex them for what the wealth management want but it is a project that we are still taking forward, which might help in some of these areas.

Deputy K.F. Morel:

On the flip side of that, of course it may be more difficult for smaller businesses in Jersey, equally I have spoken to people in the industry over here who are concerned that they are unable to supply services to Islanders. So we are talking about financial advice and because of the high cost of regulation, the high cost of dealing with it, I have had numbers like: "Unless you have got £300,000 I cannot look at you anymore. I cannot offer you advice" so where are these Islanders going for such advice?

The Minister for External Relations:

So there is no doubt that some businesses are taking the view, as it is happening globally, that there is a particular sector where they think they can add value. Some of that is about cost. So that is minimum balance for a portfolio. But there are still - and be careful how I say this - companies not very far from where we are sitting here who would be offering Islanders investment opportunities for amounts much less than the £300,000 that you have been quoted. Part of our responsibility, I think in Government and policy making, is to engage with industry on these particular matters, see it through things that we might need to do from a legislative perspective to enable offerings to Islanders

to be competitive and available. It is not the only area. Some banking institutions are asking questions about risk profile, about offering of credit and we are engaging with them around that as well, which is another issue which Islanders find difficult.

[10:45]

Deputy K.F. Morel:

Absolutely. Especially in the world of low interest rates you need to look beyond the banks to try and get some sort of return. Before moving on to your work overseas, you mentioned L.L.C. legislation. One of the recommendations when we undertook a very brief review, it was not an official sweeping review sort of thing, was that the L.L.C. legislation should be monitored for the types of businesses who pick it up and whether it could have a negative impact on Jersey's reputation. So far what have you seen happening in that area?

The Minister for External Relations:

Because the legislation is not yet operational because of the operational issues around the register and the changes that we need to make to the registry in order to enable them to work effectively, we have not seen anything yet. Interestingly of course, what we are seeing is that more U.S. (United States) based companies wanting to face to Europe and invest across Europe and the globe are looking at us more. So it is a product that I am very keen. I challenged officials yesterday in a meeting about where we are making sure that we were still on a good timeline but it is still going to take a number of months yet well towards the end of next year because I think that that American market very much wants and understands those products and will be comfortable with them. But you were right to challenge us about the monitoring of any negative potential reputation impacts. They have not arisen of course because the product has not been ...

The Deputy of St. Mary:

The *raison d'être* for introducing it was for the American market largely, was it not?

The Minister for External Relations:

That is right.

The Deputy of St. Mary:

So we need to push that through.

Deputy K.F. Morel:

Just to finish that one off. To be fair, as a panel we were not aware of the need to make changes to the registries law. Can I ask why this was not done in a more synchronised fashion because we

have now opened an office for Jersey Finance in New York and yet we still have not a product to sell them?

The Minister for External Relations:

Yes. We have got lots of products to sell them. It is just we have to ...

Deputy K.F. Morel:

The one that we want most.

The Minister for External Relations:

We have to explain a bit more about products that we have got and interestingly our fund products are ones which are very attractive to them. The work around improving the registry has been ongoing for a number of years. It started with this thing about can we just have one combined registry and how can it work and who should operate it. That is sped up but the more you think about it, trying to find an optimal solution, the more you need to make more of a wholesale change to the registry law, which is what we are now proposing to do. Therefore, the decision was made in conjunction with the regulator themselves that it was not practical to make the changes to the current law. It was better to do the full piece of work and introduce a new registries law, which is what officials are working on. James, I do not know if you want to give any more colour to the detail of them.

Director of Financial Services:

Yes, of course. The aims we are looking at is really ... first, ensuring that the registry is more flexible than it was before. Modernising it so you can see your information online, for example. Ensuring that the registry meets our A.M.L. (anti-money laundering) requirements; it is fully compliant with F.A.T.F. recommendations. Then of course, as the Minister said, we are introducing an entirely new register for L.L.C.s alongside that. So this is a major systems change. It is a legal change and it is a systems change. It is important that we get this right. So there is quite a detailed plan worked out with the regulator. In terms of L.L.C.s, we could have introduced a minimum viable product L.L.C.s by the end of the year if we had chosen to, based upon work around, et cetera. We consulted with industry and the fairly unanimous view was it is worth waiting and getting this right. So when we do go to the American market and say we have got the L.L.C.s there does not need to be an explanation of ... there is a bit of L.L.C. now and the rest coming for usage later on so a conscious decision was taken to hold off until we got the full suite in place and at that point then get it right next year.

The Deputy of St. Mary:

A few relatively straightforward questions regarding our relationship with Westminster. First, the old chestnut, a news article on 21st October reported that Andrew Mitchell M.P. (Member of Parliament)

had “irrefutable” legal advice that the U.K. (United Kingdom) could pass laws on the Crown Dependencies should it need to. Would you care to comment on that irrefutability or otherwise?

The Minister for External Relations:

I am not a lawyer so let us just be clear of course that nothing in that article was news to either me or, I imagine, my colleagues across the other Crown Dependencies or officials. It was a point which Andrew Mitchell, who let us remember is a politician, and Dame Margaret relayed to us that they believed that they had, in their words, first class legal advice which says they could do such a thing in this particular case. As I rather cheekily said to them, it is interesting because I have not only first-class legal advice in Jersey but also Q.C. (Queen’s Counsel) advice arising from eminent Q.C.s in the U.K. and the constitutional relationship which would indicate exactly the reverse was the case. I think for my part, where the confusion is about public registers of beneficial ownership is around the issue of national security and some U.K. parliamentarians have tried to suggest that a public register of beneficial ownership was a matter of national security. They have never, to my mind, been able to make that case satisfactorily, bearing in mind that the current register in the United Kingdom is not vetted, verified or regulated. The register that we currently hold in Jersey is all of those things and is available to national organs of national security, the National Crime Agency in the U.K., in as little as an hour where they think there is a case for that. So even if this information, which is beneficial ownership about companies operating in Jersey is a matter of national security we can answer that question. Therefore, there would be no vires or locus for a U.K. Parliament to be able to legislate, to give us a public register, which was like the U.K.’s register, which it is difficult to argue from any position that their information provided therein is of a better quality than the information that we currently hold down the road at the J.F.S.C. Therefore, my argument to them has always been that if these issues are of national security, the information I am providing to you and holding for you, is more compliant with the national security interest of Jersey and the United Kingdom than a public register is. Therefore, I cannot see that there would be any grounds that they could legislate. Not only that, the wider constitutional issue about whether the U.K. could legislate on grounds of national security is certainly unproven because we do know there is a reserve power around good governance. If you could legally make the argument that national security falls into good governance - and I have yet to see a strong legally made argument in that regard, I cannot see it - then you are stretching it on any number of strings and therefore I draw the conclusion that, as you will know being a lawyer, the advice you get depends upon the question you have asked. Therefore, is the premise of the question that has been asked is incorrect and not founded in the appropriate constitutional position then you may have an answer, which is also one which I would question.

The Deputy of St. Mary:

Thank you. You stated the position, I am sure we are all pleased to know that your response continues to be robust and I do not think many Members would question that.

The Minister for External Relations:

If I might also add, you would equally know from that same article that Andrew Mitchell said that he, I think ... he might not quite have used these words, but the implication was that he recognised our own determination in these matters and the political commitments that we had made and would see no reason to bring forward such an amendment again provided we kept to our commitment. We have no intention of doing anything other than keeping to our commitment and that commitment, let us remind ourselves, is not following the U.K. model; it is following the E.U. model.

The Deputy of St. Mary:

Thank you for that.

Deputy K.F. Morel:

With that in mind, how are the E.U. getting on with their moves towards public registers of beneficial ownership?

The Minister for External Relations:

Some member states are more advanced than others. When I was in Brussels, however many weeks ago that was now, it was a matter that came up in conversation with all of the firm reps and officials have then carried on those conversations in capitals to understand exactly what was happening. Locally, the same person who is dealing with the new registry law is also working on the technical requirements for the interconnectedness of our register, which was another commitment that we gave to the Commission.

Deputy K.F. Morel:

Is that the interconnectedness of the existing register?

The Minister for External Relations:

Yes. So progress is being made but because the E.U. are going through a process of change at the Commission level then perhaps those conversations are not as co-ordinated as they will be once the new Commission is fully operational, which is any day now, is it not?

Deputy K.F. Morel:

If it is a case of national governments doing their own thing, so to speak, in order to meet other register requirements, is there a danger that ... at what point in the threshold does Jersey say: "Oh yes, this what we have got to follow now"? I just do not want us to be tripped up with Andrew Mitchell

turning round in a year's time saying: "Look, the E.U. is there because Slovenia has done it" or something like this.

The Minister for External Relations:

This is why we were careful in our commitment and we tied it to an implementation review that the E.U. is due to publish at the beginning of January 2022 rather than just taking one particular model and saying that is the model that we need to follow. It is important for us to engage with member states and understand what individually their legislation looks like and what their operational models ultimately work like but we are not rushing to pick one of those models out with the implementation review, which should give a broader view of what the Commission's view is about which models work best and which models they might want to deliver more widely across member states in due course.

The Deputy of St. Mary:

On Westminster briefly; as you may or may not have seen there is a question raised of the Chief Minister for next week about the level of representation of Jersey at Westminster and I put that side by side with a *J.E.P. (Jersey Evening Post)* interview with Andrew Rosindell M.P. Would you care to comment on the ... is Jersey well enough represented at Westminster in its present form, whether through our own office or elsewhere?

The Minister for External Relations:

Nothing I am going to say now is not in the answer so the Chief Minister and myself are responsible under the States of Jersey Law for our external relations. So we have completed that answer together. It would be to both of our minds wholly inappropriate and outwith our constitution to have a representative in the United Kingdom Parliament. We are an autonomous Island with our own Parliament, our own judiciary, all of the organs of largely an independent state but we are a sub-sovereign and as a matter of international law the U.K. is responsible for our foreign relations and they are also responsible for our defence. So the idea of having a Jersey Member of Parliament in the United Kingdom Parliament to my mind drives a coach and horses through our constitutional autonomy and it is not something that I support. It is not something the Chief Minister supports either. But with regard to Andrew Rosindell, he comes from a point of supporting the autonomy of the Island and ensuring that they are properly respected and represented across not only Whitehall but also in Parliament as well. You know, Deputy, because you are representors on the British-Irish Parliamentary Association, that is one way that we engage. We engage with Ministers at the British-Irish Council. We engage with parliamentarians in both Commons and Lords through the All-Party Parliamentary Group.

[11:00]

Both the Chief Minister and I have separate and joint meetings with parliamentarians and Ministers across the United Kingdom. They can range from working lunches to more formal meetings. It is that that we need to continue doing rather than change our constitutional position.

The Deputy of St. Mary:

Thank you for that. I wished to give you the opportunity to rip out the idea that we should have representation in Westminster. On a personal note, yes, I did meet Mr. Rosindell only a couple of weeks ago at a conference and I gather, just to show possibly the benefit of that, the Chief Minister is, for the first time, laying a wreath at the Cenotaph this weekend.

The Minister for External Relations:

That is right. Representatives of the overseas territories and all 3 Crown Dependencies will be represented at the Cenotaph on Sunday morning to lay wreaths. Historically of course Her Majesty has laid one on our behalf, so this is a change of protocol.

The Deputy of St. Mary:

Yes, I mention it simply to demonstrate that they do regard us with some measure of independence.

The Minister for External Relations:

Yes.

Deputy K.F. Morel:

Just sticking with the U.K. briefly. Do you have any thoughts or hopes, concerns about the upcoming general election in the U.K.?

The Minister for External Relations:

As you would expect me to say, that that is a matter for the U.K. electorate. We have worked with Governments of all political persuasions in the past.

Deputy K.F. Morel:

That is a political response.

The Minister for External Relations:

No. Labour, Coalition, Conservatives of various shades and I see no reason why we will not continue to do so into the future. We already have, I hope, what are reasonably positive relationships with not only existing Government Ministers but also Shadow Cabinet Members and spokespeople from the other parties that were they to be part of a successful Government in the future will become

Ministers themselves. That work will continue whoever the British public decide to elect as their Government.

Deputy K.F. Morel:

Switching to the W.T.O. (World Trade Organization), which is also linked to the U.K. As Minister for External Relations, you have asked the U.K. to extend this membership with the W.T.O. to Jersey; you have officially asked for that now. Can you update us with where we are on that project? You asked the appropriate Minister, the appropriate Minister fires off a letter to the W.T.O. That is the extent of my knowledge as to where we are in our process.

The Minister for External Relations:

That is exactly where we are because that appropriate Minister, which was the Foreign Secretary, said in fact to the W.T.O. that their membership would be extended to us in the event that they left the European Union without a deal and took up their seat as an independent member of the W.T.O. So there is no need for anything in return from the W.T.O. in regard to that extension to us because it is a matter between us and the U.K. But it will not have effect until they take up their independent seat on the W.T.O.

Deputy K.F. Morel:

If they take up their independent seat.

The Minister for External Relations:

That is right.

Deputy K.F. Morel:

I believe that is meant to happen in March but it has not. With regard to the W.T.O. you have obviously signed a memorandum of understanding with the U.K. Is that memorandum of understanding also contingent entirely on the U.K. taking up its seat at the W.T.O.? It sits dormant until that time?

The Minister for External Relations:

Yes.

The Deputy of St. Mary:

Moving on to China where the Chief Minister currently is ... can you please explain ...

The Minister for External Relations:

He is in Hong Kong this morning.

The Deputy of St. Mary:

Sorry. I am not sure which is preferable. But can you please explain the main purpose of that visit?

The Minister for External Relations:

Yes, China has been a priority for Jersey Governments for a number of years. It is a country which takes a long time to build positive strong relationships. I think Senator Le Sueur was the first Chief Minister to make a ministerial visit. I then made a number of ministerial visits and this is the Chief Minister's second high-level visit. It covers really a number of priorities. We have historically made very good progress from an educational point of view and that was, in a way, culminated in the Chief Minister signing an overarching M.O.U. (memorandum of understanding) with the Chinese educational body. So you know of the work with Hautlieu and Ba Yi Secondary School, which was a 1,000th Confucian classroom. A plaque was presented by President Xi when he visited London a few years ago, and now Jersey College for Girls have made a similar partnership approach with a school in Shanghai, I think that is. So this M.O.U. basically is an overarching one to encourage other schools and to encourage other educational links. This morning he has been visiting the Hong Kong monetary authority, so that is around financial services links. In Singapore he took part and met Jersey firm representatives for Step Asia, met the High Commissioner to Singapore, and has been undertaking a number of commercial visits as well, meeting financial services representatives, meeting the vice-chair of the Chinese Association for Foreign Friendships or something like that. They are the body that is responsible for managing at an official level the relationship with centres like us and the devolved administrations. He has also visited some artists in residence in Beijing, I think that was. So Jersey artists in residence, that is part of building our relationship there. So it is quite wide-ranging. We know of course that it is not just financial services but Jersey Dairy have got wider commercial interests in Shanghai and Hong Kong when it comes to ice cream and various other interests as well.

The Deputy of St. Mary:

You touched on education which I will come on to in a second, but given the financial related activities or aims was there thought given to you going rather than the Chief Minister or as well as?

The Minister for External Relations:

It is a good question. I know that people have asked me when I had built the relationships while I was Chief Minister. We have to try to understand the market and the country that we are engaging with. China is a hierachal country and therefore it has always been felt by ourselves here that when we can field the most senior member of government that is an advantage in the level of meetings that we may be able to deliver rather than just the personal relationship. That is where China works

differently from probably most of the other markets that we engage with where the personal relationship is much more important necessarily than the title.

The Deputy of St. Mary:

Going back to education. You mentioned a recent Foreign Office report raised concerns about the chilling influence of China on free speech in education at universities in the U.K. A report raises these concerns in relation to Confucius institutions of which Hautlieu is one. How do you reconcile our approach to China with those concerns?

The Minister for External Relations:

I had, I do not know if the word is “privilege”, or the confusing experience of attending the Confucian classroom in Hautlieu. I say “confusing” because I do not speak Mandarin or Chinese. I have not heard of any such influence from that Confucian classroom or the teachers there or the students which have taken part. In fact, rather the contrary, I have heard only positive reports of the Confucian classroom here. I think that report was focusing more in regard to further education institutions

Deputy K.F. Morel:

One of the things obviously that the report refers to is about things like simply talking about discussing Taiwan and its history, et cetera, and China trying to stop that. I can understand why a school in Jersey would discuss Taiwan as part of its history lesson, it is about its understanding of the world. Has China re-signed an M.O.U. with China? Is there any element in that M.O.U. or has there been any suggestion from China that they wish us to stop teaching in a particular subject or history in a particular way?

The Minister for External Relations:

No, none whatsoever.

Deputy K.F. Morel:

If there were would you rebut those?

The Minister for External Relations:

I would not expect them to do so. I mean the matter of curriculum is a matter for decision here in Jersey by the Education Department ultimately by elected representatives of the legislature if they so wish to see amendments, not for a foreign power.

The Deputy of St. Mary:

Final question before we leave China. Do you have concerns about our own relationship with that country, having regard to the level of protests in Hong Kong?

The Minister for External Relations:

We have discussed, have we not, human rights matters at this panel on a number of occasions.

The Deputy of St. Mary:

They have not gone away.

The Minister for External Relations:

They have not gone away. They do not go away and it is right that ... on the one hand of course the protests have not gone away. I think we would all prefer that changes were made so that those protests were not necessary. But it is right that the issues, while they remain, do not go away and we continue to discuss them and talk about them and Jersey Ministers, together with U.K. Ministers, continue to discuss those matters appropriately.

Deputy K.F. Morel:

In this case though it is not only human rights that are an issue. It is also commercial matters. Jersey has plenty of businesses which have offices in Hong Kong. Do you have concerns about the safety of those offices or even do you have concerns about if Hong Kong becomes an undesirable place for people to use as a financial jurisdiction that Jersey businesses could lose clients, et cetera, that sort of thing because of their presence there?

The Minister for External Relations:

I think there are 2 quite separate issues there. One is the security of Jersey people who are working in those offices, and we do liaise with industry here as does J.F.L. (Jersey Finance Limited), to understand those security issues. They largely follow the recommendations of the Foreign and Commonwealth Office, as we would do as well. But those security issues are of paramount importance. The Chief Minister is in Hong Kong now. One of the things they are doing is commemorating the 10th anniversary of the opening of the Hong Kong office. It is something that I personally asked J.F.L. about, and have done throughout the time period of the rallies and the demonstrations that have been ongoing, and that is right that we do so. But I have also spoken to senior executives of those institutions, some of them pretty large institutions, that have got Jersey and Hong Kong operations about business there and business flows. I think that they, as individual organisations, make their decisions and sometimes those decisions about what they say and what they do on the ground are very finely balanced and I understand that. I see no reason why those demonstrations are or will be detrimental to Jersey's economy and using Jersey structures. I think that is all I will say about that.

Deputy K.F. Morel:

Any more on Hong Kong?

The Deputy of St. Mary:

You say it will not be detrimental to Jersey structures but maybe they might help businesses look to other jurisdictions, which might include ourselves. Are there hopes in that direction?

The Minister for External Relations:

That is why I stopped.

The Deputy of St. Mary:

I withdraw the question.

Deputy J.H. Perchard:

On to Rwanda. In June it was reported a new partnership with Rwanda was signed by way of an updated M.O.U.; is that correct?

The Minister for External Relations:

That is correct.

Deputy J.H. Perchard:

The updated M.O.U. allows for more collaboration between Jersey and Rwanda Governments' financial services units, municipal authorities and both jurisdictions financial services regulators, could you tell us more about the purpose and anticipated results of this?

The Minister for External Relations:

Yes, so basically it fell into 3 areas.

[11:15]

That was the desire in Rwanda to create a Kigali financial services centre. For us, the signing of the bilateral investment treaty and that Rwanda are hosting the Commonwealth Heads of Government meetings in 2020. So the exchanges from a regulatory point of view are around building capacity so that the Rwandans that will be involved in the regulation of their new financial services centre and they are having to start from scratch. So they are having to think about what markets and what products they might want to encourage, what opportunities there are, what legislation they need to put in place, what standards they need to meet and so those regulatory exchanges are really important from that perspective to look at the regulation that we have got in place, look at how we regulate, look at how we supervise, look at how we comply with F.A.T.F. standards. There are also

proposed exchanges between the individuals that will ultimately market the Rwandan financial finance centre and J.F.L. here. There may also be exchanges between Government officials in Rwanda into the financial services section in Government here again. We had a very good discussion with the Minister of Finance from Rwanda in Washington and I was there a few weeks ago. It was very much encouraging that they aim to meet the very highest financial standards, joined the O.E.C.D. (Organisation for Economic Co-operation and Development) peer review group and worked on their A.M.L. and C.F.T. (Combating the Financing of Terrorism) legislation so that they were setting themselves up as a really first-class international finance centre in Rwanda. So that is really the aim of those exchanges, which I think was the first bit of your question. Obviously from our perspective, signing bilateral investment treaties would enable flows from Jersey into Rwanda as well and that would help facilitate the growth of the Kigali International Finance Centre and when it comes to the Commonwealth Heads of Government meeting and the business forum just in advance of that. As you know, we are part of the Commonwealth Enterprise and Investment Council and they work with the business forum and it is basically an opportunity for us to work with Rwanda to mutual benefit but to build these global relationships or strengthen those relationships with the wider Commonwealth.

Deputy J.H. Perchard:

I think the potential benefits to Rwanda are perhaps more obvious to me than the benefits to Jersey. Can you please outline what you mean by mutual benefit and the ways in which you anticipate Jersey benefiting?

The Minister for External Relations:

They are in very early stages of developing their programme for the Commonwealth Heads of Government meeting and the business forum. There are a number of options and opportunities for us as Jersey to work with Rwanda, to talk about first what we are doing together and individually what Jersey has got to offer to Commonwealth countries as well, but they are not yet firmly agreed and therefore it would not be appropriate for me to second-guess those at this point.

Deputy J.H. Perchard:

In terms of the infrastructure available, what part has Jersey played in helping Rwanda to implement infrastructural requirements of a secure financial services centre?

The Minister for External Relations:

When was the first M.O.U. ready? 2016. That talked about the support that we could provide them when they were desiring to do that, so from a Government-to-Government perspective officials have made several visits out there, helping them with thinking about what would be required, what sort of legislative approach they might need to take, what consultants they would wish to employ and

basically sharing our experience. That of course led to, after the last election, former Senator Ozouf being employed by the Rwandan Government to further that work. Also another Jersey individual was contracted to them to support that work as well, so you have got the Government-to-Government approach but you have also got the individual relationships that the on-the-ground Rwandans have formed with individuals who are then directly employed by the Rwandan Government.

Deputy K.F. Morel:

Jersey has been a financial services centre for about 50 years or so and it is excellent that we are sharing our expertise with other countries and developing countries, but we have been a democracy for much longer than that, depending on where you want to put it. It can be 100, 150 years, you might even stretch it much further.

The Minister for External Relations:

Some would argue that perhaps it is not quite that long.

Deputy K.F. Morel:

Some may argue that. I would disagree with that, but anyway. Unfortunately for a long time now, and I am quoting Deutsche Welle here: "For a long time now, opposition members in Rwanda have been exposed to intimidation, violence, prison or the prospect of disappearing as soon as they criticise President Kagame and his ruling party, the Rwandan Patriotic Front. President Paul Kagame has ruled the country since the genocide in 1994. While the regime has strengthened peace and economic growth, it also suppressed political criticism through extensive monitoring. Rwanda ranked 128th out of 167 countries on the 2018 Democracy Index of the Economist." There are many publications printing this, so it is not just this one, and it goes on to say that President Paul Kagame wants to nip democracy in the bud. Given that we have greater experience in practising democracy in this Island why, can I ask, are we not helping build Rwanda's democratic capabilities if we feel that we are so clearly able to build their financial capabilities?

The Minister for External Relations:

There are a number of countries that we engage with, for which we could find similar types of articles written about.

Deputy K.F. Morel:

China would be one.

The Minister for External Relations:

Yes, and it is easy to think that these issues are clear and straightforward. In Rwanda's case - I having visited now on, I think, 2 occasions - do not underestimate the development and the advancement and the improvement of a Rwandan citizen's life, under the Government of the current President.

Deputy K.F. Morel:

For peace and economic growth.

The Minister for External Relations:

It may not align with the way we structure our Government and the democracy that you rightly say we enjoy and we prize and value but they came from an extremely difficult genocide and where a Government literally had nothing. I have my papers; you have your papers provided for this briefing. They had no paper and their families were killed, and so I think we need to be careful in how we perhaps judge other countries that we engage with. We always have to be, of course, very mindful, as we have said before, of human rights, of issues of democracy. They are never straightforward and in Rwanda's case I think when one considers some of the democracies perhaps in that continent where although they have democratic institutions they face other challenges of corruption. They are on a journey to improving their citizens' lives and create peace, prosperity and economic growth, which is what they have very much majored on. I have got no doubt that from the engagement of the U.K. Government and conversations we have had with them, from the engagement of the Commonwealth, the issue that you are raising about what is the strength of their democratic institutions is one that is the subject of discussion and encouragement.

Deputy K.F. Morel:

You have to be careful when you talk about countries may wish to structure their Governments or democracies differently. This one appears to be structuring it with murder and disappearances and you would not want to be seen to be in any way condoning that sort of thing. Just because they started from a different position does not mean murder and disappearances are excusable in any way.

The Minister for External Relations:

I am not condoning states that murder in any way, shape or form anywhere around the globe.

Deputy K.F. Morel:

Regardless of where they start their democracy before their democratic journey. Can I ask you, moving on from there, partnership agreements? From a reputational point of view, when you choose to enter into partnership agreements with a different country how do you measure the level of risk that might be associated with that country?

The Minister for External Relations:

There are a number of things we do. We basically have got I think a set of 13 indices that we look at. They range from things about corruption, business environment, you have got things like the Basel A.M.L. Index which is based on meeting F.A.T.F. requirements and how they deal with A.M.L. You have got language issues; of what language they speak. You have got issues of being in the Commonwealth of Nations and we basically look at all of those things and have a matrix.

Deputy K.F. Morel:

Who compiles these indices in the first place? They are not our indices?

The Minister for External Relations:

No, they are internationally acknowledged, independent indices, which we then use. Some of them are obviously quite sensitive and one of the things I was going to suggest is ... I know that Freddie and Tom and myself, if you think so, would be happy to go through in private sessions those indices, those matrix, to give a better understanding of how they are ranked.

Deputy K.F. Morel:

I am sure we will take you up on that. Corruption I assume is one of the indices you looked at?

The Minister for External Relations:

It is, yes.

Deputy K.F. Morel:

Can I ask about which corruption index you used, and I ask about that openly rather than sensitively?

The Minister for External Relations:

Yes, it is the Transparency International's Corruption Perceptions Index.

Deputy K.F. Morel:

I was interested to know whether you used another governmental one or a third party one.

The Minister for External Relations:

Yes. We do not shy away from engaging equally with N.G.O.s (non-governmental organisations) who might be sometimes critical of ourselves.

Deputy J.H. Perchard:

I just want to ask you, Minister, about the Portugal-Jersey co-operation education agreements. What do you hope that Jersey will gain from this co-operation?

The Minister for External Relations:

Are you referring to the recently signed M.O.U. educational co-operation that the Chief Minister signed on behalf of the Minister for Education?

Deputy J.H. Perchard:

Yes.

The Minister for External Relations:

My understanding, although I of course am not directly involved, is that it will help facilitate a better understanding of the Portuguese language here in Jersey schools and their culture as well for those children who are of Portuguese heritage.

Deputy J.H. Perchard:

That is the information that I have too. Would there not be huge benefits in Jersey children also accessing this exchange? I thought the purpose of such an agreement would be to enrich an understanding of each other and each other's cultures. Is there not a danger of further isolating students of Portuguese heritage by enriching their own understanding of their own language and culture but not sharing it with local Jersey students?

[11:30]

The Minister for External Relations:

I think you are asking me to get into education policy about how they treat and teach about other cultures and other histories in relation to that and I am not sure that ... as you know, I struggle not to involve myself in other people's portfolios but it is really not appropriate for me to do so.

Deputy J.H. Perchard:

The reason this has come to you, Minister, is that the last time we saw you it was something that you raised yourself, that this was coming, so this is the reason we have follow-up questions.

The Minister for External Relations:

But they are really about education policy.

Deputy J.H. Perchard:

Right, so they do not fall within your department?

The Minister for External Relations:

This co-operation is between the Department for Education and the Camões Institute, and it is a good thing. Your question I think is should it be broader and should ...

Deputy K.F. Morel:

Well, we are worried about isolating people with Portuguese heritage and surely it is better that all Jersey students learn about the Portuguese language and the heritage and culture, not just those who have a familial relationship?

The Minister for External Relations:

I would not disagree with you.

Deputy J.H. Perchard:

Which aspect of this co-operation does come under your department?

The Minister for External Relations:

Facilitation, as we have had these discussions before. We facilitate other departments' policy aims when they involve countries other than Jersey but I do not disagree with your assumptions about those issues.

Deputy K.F. Morel:

What work is the Department for External Relations doing for building or strengthening relationships with Portugal and Madeira, if any?

The Minister for External Relations:

It is a good question, because when it comes to Madeira that is largely governed by the Friendship Agreement, which you know was initially signed when Philip was Bailiff, before we had ministerial government. It was really about a people-to-people relationship and it was built on the personal relationship that Philip had built with the then-President of Madeira. I visited Madeira when Michael was Bailiff and we built on those relationships and the Chief Minister visited this year with the previous Bailiff. The Madeiran relationship is not really a Government-to-Government relationship as you would expect for other member states. It is much more that lots of Madeiran people came to Jersey and it is to your point about building an understanding of both cultures and what we have got in common and then of course we know that they support what Side by Side issued and the home that they built in Madeira as well. It is much more a people-to-people engagement. When it comes to Portugal that is different again, because that is through the embassy in London and it has been historically around trying to deliver firstly tax information exchange agreements and then trying

to deal with tax issues again for mutual benefit, so it has been largely around the financial services issue, getting us off what was then the Portuguese blacklist, so that has been much more Government-to-Government.

Deputy J.H. Perchard:

When your department facilitates such agreements is there a process of content analysis?

The Minister for External Relations:

There is, but it is not for our department to dictate what education policy should be, because you see the problem I get into. I might agree with you about the issues you are raising but that is very much a ...

Deputy J.H. Perchard:

Sure. I completely appreciate that, but putting that particular example aside I am interested because obviously such agreements cover a whole range of departments or aspects and I would like to know what happens if an agreement comes to you, the content of which is somehow undesirable, unpalatable or would be damaging or a hindrance to the work that you are doing, what happens? What is the process?

The Minister for External Relations:

We would say that it could not be entered into. Do you want to say a little bit more about that?

Group Director, External Relations:

No.

The Minister for External Relations:

We would say no. We would say it for these particular reasons or if there was a conflict with other external relations policy, but you have got to remember lots of the team have got things like if you take the Vienna Convention and the extension there, we were involved in that because it very much led out of Brexit work, which we were leading in our department. Things around financial services and those sorts of agreements, again we are very much involved in them on a day-to-day basis but then you get these sorts of things which are not directly impacting on our department, particularly around the education agreements like the M.O.U. in China, but if there was something in it that we felt was wrong we would not hesitate to say so.

Deputy J.H. Perchard:

Sure, so we do that, but we do not close the doors to business with countries that we think are not human rights compliant? We do have some measures or we are not going to proceed with that content in that agreement?

The Minister for External Relations:

If that content is in contravention of something else that we are doing or another international agreement, but I think what you are asking is put the human rights issue to one side, because that is a far more complicated issue, but in the ...

Deputy K.F. Morel:

People like putting human rights issues to one side.

The Minister for External Relations:

No, we do not put it aside. I am just trying to answer both bits of the question.

Deputy J.H. Perchard:

Which question?

The Minister for External Relations:

The question you just asked.

Deputy J.H. Perchard:

Human rights. My question was about human rights.

The Minister for External Relations:

No, you started off by asking me about the contents of agreements and the inference was would we say no to it if there was something in it that we did not agree with, and the answer to that was yes, but you really started off by asking me what I thought about an agreement that was not more wide-ranging and did more to encourage understanding of Portuguese culture to Jersey-born, non-Portuguese heritage children. The point I was trying to make there in answer to that question, in light of your further question, was that we might say no to something that is not in an agreement but we would not necessarily be so presumptuous as to say to the Department for Education: "Well, we do not think you are going far enough in that agreement and you should have this element there."

Deputy J.H. Perchard:

Yes, I think that is clear.

Deputy K.F. Morel:

Putting the human rights back in, taking it off the sidelines and putting it back to the centre of your answer?

The Minister for External Relations:

I cannot say anything that I have not already said to you about human rights and the engagement that we have in that regard and that they are part of our consideration.

Deputy J.H. Perchard:

Do you have plans to implement or facilitate other agreements with countries such as Poland or Romania who we also have a high representation of in Jersey?

The Minister for External Relations:

Well, we have, I think, positive relations with both of those countries. I think with both of them that I currently have, there are no proposals for direct agreements as such, but both of them would like to build business-to-business links and we seek to facilitate that where we can. We will be having an inbound visit of the Polish Ambassador in March of next year and the Chief Minister is in early stage conversations hoping to make more of a people-to-people trip into Poland next year as well.

The Deputy of St. Mary:

In relation to an earlier question, you referred to the partnership programme with the Commonwealth Enterprise and Investment Council. Can you elaborate slightly on that for our benefit as to what it entails and what are the benefits to us?

The Minister for External Relations:

Yes, so the Commonwealth Enterprise and Investment Council is basically part of the Commonwealth Secretariat that tries to facilitate business-to-business links across the Commonwealth. We pay a membership fee, which is £10,000 a year and we sit on the advisory board. What that does is help give us the ability to influence the strategy and be involved in sometimes when they are setting up inter-country trips. We have not for various circumstances yet been on one of those but we do intend to hopefully during 2020. You will have seen that we recently signed a partnership programme with them as well so that we could show and see that we are getting value for money from that partnership, and I think we are. Freddie was in Nigeria earlier this year and they facilitated that trip for him and another official. They made introductions at both governmental official level and business level as well, so it is trying to broaden our engagement with the Commonwealth and not just keep it at political or parliamentary level but also direct on the ground business level as well.

The Deputy of St. Mary:

You say we sit on the advisory board. Who represents Jersey on that board? Is it yourself?

The Minister for External Relations:

It is either myself or my Assistant Minister, Constable Buchanan.

The Deputy of St. Mary:

Still on Commonwealth matters: are you aware that the Crown Dependencies' network group was recently established and as one of those who went to the Isle of Man you obviously see that as a positive way forward, particularly in view of Brexit? Is that the catalyst for this move?

The Minister for External Relations:

No, there are a number of things that we really need to be aligned on as Crown Dependencies, facing the issues of Brexit, as you say, but other global issues as well. Historically it has probably been, and it has not come from Government as an initiative, it has come from parliamentarians, and that is a good thing ... historically Ministers have probably quite positive relationships, certainly at the senior ministerial level and there has not always been that understanding at parliamentary level. I think it is really helpful to have that understanding of what each other is doing and the way we address matters and we deliver legislation. I think it is a really positive move.

The Deputy of St. Mary:

I think you will be aware that the return match, as it were, is going to be hosted by our good selves next year. Thank you for that.

Deputy K.F. Morel:

Moving on to Brexit, in light of the fact that the U.K. remains a member of the E.U., would you mind updating us on the latest Brexit developments from your department's perspective? I am not too worried about the Westminster shenanigans.

The Minister for External Relations:

Well, as you would expect now that there is an extension or flexextension until 31st January, we have pared back our day one no deal preparation. They are no longer meeting on a daily basis and we will reconsider and bring those plans back into probably daily action post the election depending on what the result of the election is. There are however a number of areas thinking about the future economic partnership that we need to carry on working towards throughout this election period, but as we know there are no out-of-the-ordinary decisions being made by U.K. Ministers during the purdah period and therefore we are not changing any of our plans at this point.

Deputy K.F. Morel:

One of the issues with Brexit potentially having moved to October was winter preparation. If Brexit and if a no deal were to occur in January we are even further into winter. From your perspective, as you said you have pared back day one no deal preparations, given the wintry nature of a possible Brexit at the moment are you satisfied that we will be prepared for a possible no deal Brexit in the middle of winter?

[11:45]

The Minister for External Relations:

I am, ironically, because although counter-intuitive about weather, and the supply chain because of weather, that means that just in the ordinary course of business, businesses here and the Department for Health and Social Services and so on, are more prepared for these eventualities anyway, and therefore it gives me more confidence with a January date than the difficulties that an October date presented.

Deputy K.F. Morel:

A few of the media reports that I read about before the election was announced was that the Prime Minister of the U.K. would like an election before Christmas precisely because they expected the N.H.S. (National Health Service) to be struggling after Christmas particularly as apparently Australia has had a severe flu season and last time we had a severe flu season Australia had had one immediately beforehand. So the signs from a flu perspective are not good and the N.H.S. is expected to be struggling. So while you say counter-intuitively you think we will be better prepared, given that we do rely on N.H.S. supply lines, and that has been made clear throughout our Brexit preparations, are you concerned that if the U.K. is under severe pressure due to a severe flu and winter that you could struggle to be prepared?

The Minister for External Relations:

Of course the U.K. is in the middle and has been on an election footing for a number of weeks prior to the calling ...

Deputy K.F. Morel:

But basically the theory was that it does not want it in January because the N.H.S. will be in a mess by then.

The Minister for External Relations:

That is right and it was a theory. So there is no doubt that health services face greater pressure in winter when people's health suffers for all sorts of reasons, but our health service have got good experience because of the bit of water between us and the U.K. of preparing and being prepared for

that, so that is one issue. I do not think we face the same pressure necessarily that was indicated in that theory. If there is a severe flu epidemic then we have got good experience and good learning from when it previously happened, so much so that as I understand it some people from our health service have over the years since then given learning to others. Now, I am not directly involved in what Health is preparing but if they are preparing along the same lines for a flu epidemic, which is slightly separate from Brexit, and they have overlaid those scenarios in the Brexit preparation, but if they are preparing in the same way they did then, then I would have confidence in it. But you do need to make early decisions based on science, because you have got to get the vaccines and those vaccines you are ordering directly from the manufacturers and cutting out the N.H.S., so you do it in a different way.

Deputy K.F. Morel:

That is useful. Are there any anticipated differences in the post-Brexit relationships with Jersey, Guernsey, Alderney, the Isle of Man and the U.K.? Are the Crown Dependencies basically working all together in co-ordination on Brexit?

The Minister for External Relations:

Yes, we are.

Deputy K.F. Morel:

You do not anticipate any differences between their relationships between the U.K. and us?

The Minister for External Relations:

I anticipate us staying aligned with Guernsey and Alderney. As I said before, there is of course the slight nuance with the Isle of Man and the common purse arrangements but other than that I anticipate us staying aligned. The question is what relationship is an incoming U.K. Government going to try and negotiate as a future relationship and that will very much depend on who the incoming Government is.

Deputy K.F. Morel:

If the current Prime Minister's deal were to be revived, and I do not quite know what has happened to it, do you see the border in the Irish Sea having any effect on Jersey? Do you think the issue and the way it is dealt with in his deal would have any effect on the Island?

The Minister for External Relations:

Well, it does not directly of course, but there are always, and this is one of the concerns that has arisen both at the Commission level and the U.K. Government level, is that if you create a precedent somewhere other people may argue that they should have the same precedent and there might be

benefits to them in the creation of that precedent. The counterargument, of course, is that Northern Ireland and the island of Ireland is such a unique situation from a peace process and security point of view that you cannot argue that a border down the Irish Sea is a precedent that anybody else anywhere else in Europe could seek to avail themselves of, but I have got no doubt that if it does and it works others will.

Deputy K.F. Morel:

That is interesting. Do you care to name others?

The Minister for External Relations:

Well, I know my colleague in Guernsey or my colleagues in Guernsey have made exactly that case.

Deputy K.F. Morel:

That is interesting. Thank you. Can the Minister clarify that E.U. citizens who are resident in the Island will be deported if they have not applied for or been granted settled status by the end of 2020? So is there a threat of deportation for those who have not applied for settled status by the end of 2020?

The Minister for External Relations:

The departments concerned, so the Department for Home Affairs and the Department for Customs and Excise are doing absolutely everything that they can to ensure that E.U. citizens have applied for settled status. Of course if somebody is in Jersey, whether they are an E.U. citizen or a non-EU citizen, and they do not comply with the appropriate legislation there is always the ability for the court to say that someone should be deported. But in all of my conversations with Customs and Immigration I have been clear, they have been clear, that the approach that they are taking is so that nobody would find themselves in that position.

Deputy K.F. Morel:

Do you have any up-to-date figures on how many people have applied?

The Minister for External Relations:

I do not.

Deputy K.F. Morel:

Just one last one on Brexit from me. It was recently reported about the cost of Brexit having reached £4 million. Do we see that figure rising further?

The Minister for External Relations:

I think if you will forgive me, it was reported as having reached £3.3 million but would reach £4 million by the end of the year. That is the figure from 2016 to the end of this year. We do not see it rising any further. Of course what is happening in the Government Plan is posts are being made permanent in my department certainly. We have got the issue of negotiating the future economic partnership, which really is very much aligned with global market strategy and needing people to do that and the enhanced European strategy, so in some ways whatever happens with Brexit that money and those people will be well-employed promoting Jersey. It just might mean that they have to be a bit more focused on the detail of the future economic partnership rather than growing our profile.

Deputy K.F. Morel:

If Brexit keeps getting kicked into the long grass, I mean I do feel that time is running out on it in some way, but if it does keep getting pushed does that in itself raise the cost of Brexit, or are we pretty firm that the preparations have been made?

The Minister for External Relations:

The preparations have been made, but it really depends whether those people that are directly involved in day one no deal preparation can be employed in other tasks in the intervening period while we keep waiting and waiting. My view is that certainly from our perspective, and I am counting the officer in front of me, they can be well-employed on other tasks and I think probably the same for the G.H.E. (Growth, Housing and Environment) staff as well.

Group Director, External Relations:

Absolutely.

The Deputy of St. Mary:

Another Brexit-related point, fishing arrangements with France. Have there been developments in relation to the Bay of Granville Agreement or is it a question of just waiting and seeing for the moment? Is there ongoing discussion or have they gone as far as they can for the moment?

The Minister for External Relations:

No, it is not a question of waiting and seeing. I met with the chair of the Fisheries Association a fortnight ago and of course we know that the Fisheries Association would like to see a great reduction in the number of licences and better management of the preservation of stock. We as a Government agree with that. Sometimes we just perhaps do not always agree on exactly the methodology of arriving at that point, particularly with the uncertainty of Brexit, but we did agree that fisheries officers from G.H.E. would reach back out to French colleagues and this period between

31st October and the end of January might be a suitable period for a ministerial level or political level meeting on some of these fisheries issues, but I am just waiting to hear back on that point.

The Deputy of St. Mary:

The reductions in licences for French fisherman to fish in our waters is one of the keys?

The Minister for External Relations:

Yes, so the review, if we can call it that, of the Granville Bay Agreement was very much seeking to ensure that fishing effort was at the right level and that preservation of stock was at the forefront of the management committee of that, and that is a joint management committee. There has been some downward movement on the issuing of licences of those who could get permits but certainly from a Jersey perspective we think that there is more work that can be done there with our French counterparts.

The Deputy of St. Mary:

Apart from fishing itself, it is Jersey's marketing that presents a problem or landing the fish in, in France. Again are there ongoing discussions there or have certain agreements been made? I think they had at one stage.

The Minister for External Relations:

There are ongoing discussions because, as I think we discussed last time, there has been a proposal for a border inspection post in Granville. Of course that does not directly affect the small artisanal fishing vessels that want to land into France, but more the shellfish operators. There has been no progress reported to me on that particular issue but again our officials continue to work with French officials around making sure that the licensing paperwork and all of that for landing is appropriate and will be accepted. All of this is relevant to a day one no deal.

The Deputy of St. Mary:

Apart from Granville, what is the thought about having another major port?

The Minister for External Relations:

Yes, so in St. Malo that border inspection post is in place.

Deputy K.F. Morel:

With regard to reviewing the Bay of Granville Agreement is it your position that the agreement needs to be maintained?

The Minister for External Relations:

You are going to think I am avoiding the question, and I am not going to avoid the question, but I might preface it by saying that the responsibility for fishing matters lies with the Minister for the Environment and some work undertaken by the Minister for Economic Development.

Deputy K.F. Morel:

But as I am sure you are facilitating this, do you have a view?

The Minister for External Relations:

As we know and as we talked about earlier, sometimes the person-to-person relationships are important and because it is a Brexit issue then we have involved ourselves in it because of that reason. Government policy is that we wish to seek the maintenance of the Granville Bay Agreement for all of the benefits that we think it gives us. The Fishing Association struggles to see the ongoing value of the agreement unless the conservation of stock is dealt with in a better, more proactive way; so we are trying to balance those competing issues when we know that our French counterparts absolutely want to see it maintained.

Deputy K.F. Morel:

Do you feel that the agreement in itself has greater value than just being a fishing agreement? Does it have a greater value in regard to our relationship with France?

The Minister for External Relations:

Well, of course it does. It would not be correct for us to say anything other than that but its fundamental purpose is about fishing and is about there were 3 aims in the preamble to it. One is economic value to the communities bordering the waters. The other was I think access to waters and preservation of stock. In a time when I am informed by the Department for the Environment that stock levels are low of certain shellfish, preservation of stock has to be the highest priority. That prevents difficult issues about the level and effort of fishing in those waters which must be addressed.

Deputy K.F. Morel:

Thank you very much indeed. Thank you all for coming in.

The Minister for External Relations:

Thank you.

[12:00]