

STATES OF JERSEY

Economic Affairs Panel Role and Funding of Jersey Finance Limited

MONDAY, 17th DECEMBER 2007

Panel:

Deputy G.P. Southern of St. Helier (Chairman)

Deputy J.A. Martin of St. Helier

Deputy K.C. Lewis of St. Saviour

Witnesses:

Mr. P. Horsfall

Mr. M. De Forest-Brown

Deputy G.P. Southern of St. Helier (Chairman):

My apologies for the late start. But welcome, Mr. Horsfall. You are obviously here as ... in 2 roles really. One as president of P. and R. (Policy and Resources) back in 2000 when J.F.L. (Jersey Finance Limited) was originally conceived and set up. Currently now as Chairman of J.F.L. As you have obviously picked up we are very much concerned with the initial financing and set up of J.F.L. at this particular session. If we can start there with your recollection of the setting up of Promoco and J.F.L. at the time you were on P. and R. obviously, and peripheral it was essentially an industries committee and an F. and E. Committee set up. But I think you were kept in the loop. Could you just summarise for us what your position was at the time?

Mr. P. Horsfall:

At that time, as you say, I was president of P. and R. but in the days of committee system they were silos(?). But we did have -- copies of the minutes of the various meetings would be sent to us. So we would be kept abreast of what was going on. It has already been said about Labco and that concept was developed into Promoco. That I think, as far as I recall, at the time was an ongoing thing. That the Finance Committee started the ball rolling, then in fact you had the Industries Committee and they came up with the recommendation that Jersey Finance should be formed having

gone through a number of iterations first. The funding, at one point they were talking about it being self-funding but I do not think that had a very long life. That soon fell by the wayside. Then eventually Jersey Finance was established and, as you already know, Geoffrey Grime was the chairman. Funding was put in place for the first year and a bit because they had had no members, but it was going to be -- it was going to be a subscription at the time. The question about the funding, of course, one of the knotty questions about the funding was this £250,000. It was quite clear that Jersey Financial Services Commission were responsible for promoting the Island as such, the *Edwards Report* said that should be the case. It was agreed that this £250,000 would be effectively paid over to Jersey Finance. The question is whether it is a rebate or whether it is not a rebate. I have no doubt in my mind that at the time it was a rebate because I can remember that it was said at one of the meetings, one of the industry people said: "That is fine, you are going to fund Jersey Finance with this £250,000." It is coming out of Jersey Financial Services Commission who already are charging us more on our fees to account for it. So therefore it is our money and Senator Walker who was President of the Finance Committee at the time said: "Yes, that may be the case, but it would be much simpler if we pay the £250,000 rather than some sort of passing on money from Jersey Financial Services Commission." I do not think it matters in the long run how it started. The fact is that there was money going into Jersey Finance Limited. There were some arguments over it at the time as to whether it should still be regarded as a rebate or not and in the end, I think that Jersey Finance accepted that so long as the money was coming from the States as a grant, they were not going to pursue this rebate thing, it was not going to lead anywhere. But I think it is worth noting one point in relation to it. That is that if Edwards had not happened, if the Financial Services Commission had carried on funding the promotion and the need for promotion had risen and increased as it has done and almost certainly would have done, of course they would almost certainly have increased the money they were spending because they had lots of surplus at the time.

Deputy G.P. Southern:

I thought the end of that sentence was going to be they may have increased the fees they were charging.

Mr. P. Horsfall:

In fact at the time, as I remember, they were paying into States' coffers something like a surplus of £3 point-something million which I believe in next year's budget is down as £4.1 million or £4.2 million. Really, all I am saying is that if it had stayed with Financial Services Commission the money was there for them to increase spending without reference to anybody, had they had chosen to do so. I do not ... I think it is all history now, that has all gone. But it started out life as a rebate and it is now accepted that it is a States' grant. I do not see much purpose in going back over the old ground now that piece has been conceded.

Deputy G.P. Southern:

I see your point of view on that. Could I just talk to you in more general terms about the concept of joint funding. How do you see that? Is that an effective way of running such an institution as J.F.L. of course, I am talking to you now as head of P. and R. with some vision?

Mr. P. Horsfall:

I think so. I think there is no doubt that it is an effective way. The benefit to the States as well as to the industry ... If you benefit the industry you could say you benefit the States because they then get the taxation part of it. But the benefit to the States aside from that of having Jersey Finance operating the way it does, is considerable. I can remember as President of P. and R. when the unforeseens began to hit us like the O.E.C.D. (Organisation for Economic Co-operation and Development) thing, like the European Code of Conduct, all this stuff that came virtually at the same time. The benefits of having Jersey Finance there, getting opinions out of the industry and testing some of the things we were thinking about with the industry was immense. To get that sort of evaluation of these things instantaneously, the States would have had to have been employing some full-time people of a very high technical ability and calibre. It was a great benefit to us to have Jersey Finance able to fulfil that role. I think that has carried on. Now that Jersey Finance has developed a stage further and merged with J.F.I.A. (Jersey Finance Industry Association) the technical input of very senior professionals that the States get is of immense value to the States and would have to be replaced if it was not coming from the industry. You could not simply do without it. The cost of that, I think, would be far, far more. So, the benefit of Jersey Finance to the States as well as

to the industry, I think is clear and that the funding should come as a joint partnership, I think is entirely appropriate.

Deputy G.P. Southern:

You mentioned now that they have subsumed the role of J.F.I.A. which was a body set up to represent the interests of its members, per se, to what extent do you see that that does present a potential conflict of interest between States funded and what effectively, as part of their role, is a lobbying group?

Mr. P. Horsfall:

I do not think it is a conflict of interest. Because again when I go back to when I was still in office. I know that consultations and the like were done through J.F.I.A. They were being driven by the States. Whether it was a regulatory law or whether it was a new product law. All sorts of things were being driven by the States because they were viewed as being in the public interest. The process of having to go with a law to the head of the Law Society who happened to be out on business somewhere far a field and to go to the head of the Bankers Association who was out in Cayman Islands or somewhere, each of these heads of the associations that were relevant to that law would then internally get the work done to respond to the consultation. But this used to take months. It used to take months and months. The reply would come back from these things individually and then somebody would try and put them all together to get a response. Then there was a response from the Government which would then go back out and, with no exaggeration, some of the consultations you did not count them in months, you counted them in years as to how they could reach a satisfactory conclusion. Now, to have a body that is co-ordinating that, and I was chairman of the working group that worked on the merger with J.F.I.A., and making sure that all the questions go out and are attended to immediately - not waiting for the boss to come back from the far off trip or the like - the benefit of that is that ... and also putting deadlines on when the responses have to come in and then putting them all together so that a cohesive report goes to the Government, and goes to the Financial Services Commission if required, is hugely beneficial to the Government. I think it saves the Government a large amount of money and a large amount of time of its own people. To have this body which may not be wholly independent inasmuch as it is ... a lot of this work gets done by people in the finance industry itself. To have this independent

body co-ordinating these consultations, compared to what we had before, I think is immensely valuable. Therefore the Government should keep Jersey Finance active in all its areas even if some of the money is not -- it could be argued some of the money is not going directly into that ... to keep Jersey Finance going as a body as it is, I think is a sound investment by the Government.

Deputy G.P. Southern:

Can I press you on this then? Just a little if I may. Nonetheless there is an overlap between the promotion of, let us say, an individual company's interest in acquiring more business and, you are suggesting, an automatic interest of the States of Jersey in acquiring that business for that company and thereby for the Island. We get a tax take out of that increase in business. There are serious shades of grey as to where the individual company's interest and the Island's interest are met?

Mr. P. Horsfall:

I do not think it is ever conceivably in a company's interest. If it is a new product which is being decided is useful it is possibly primarily in the interests of a group -- for sake of argument, an amendment to the trust law. It is going to benefit the trust sector of which there are dozens and dozens of companies. It is not going to benefit any individual one. But the Government has decided, under advice, that this is a good move. It could be for regulatory reasons or it could be for commercial reasons. But it is benefiting the trust company sector and the trust company sector is effectively almost a separate industry. The basket is made up of -- whether it is banking or fund industry or trusts and the lawyers and the accountants, they are almost separate baskets. I do not see that there is any conflict of interest to any individual company or even small group of companies to that part of the industry.

Mr. M. De Forest-Brown:

Can I just add briefly. I wear my J.F.L. hat. I know that their policy is that to the extent they get any inquiries about work or to the extent that during the course of promotion they do receive specific interests, that they have a policy of ensuring that that goes out to the industry as a whole. So they never, as a policy, ever recommend any particular firm or they never introduce work to any particular firm. They will always pass on that link or that inquiry to all of their members in that area to make

sure that they can kind of stand independently from specific pieces of work that have been acquired.

Deputy G.P. Southern:

So it is always generic?

Mr. M. De Forest-Brown:

Yes.

Mr. P. Horsfall:

Yes. That is absolutely true. The sort of inquiry we get is: "We want to do such and such a piece of business, who do you suggest?" We would say that of our members, this list are people who are in that area of the business. We would never introduce somebody to an individual company.

Deputy G.P. Southern:

Can I ask you to put your Chairman of J.F.L. hat on, and perhaps - I do not think it is appropriate but I will do it anyway - talk about how you sell Jersey Finance to them. I notice that your membership is increasing, so you obviously seem to be doing a good job. But how do you promote it? Why? I do not know if there is a company out there which has steadfastly refused to join in and contribute to J.F.L. but how would you set about persuading them that joining J.F.L. does something more than them promoting their own business wherever they choose? Which is obviously the alternative.

Mr. P. Horsfall:

Would an example of that be a new company comes to the Island. We say, here is a new company, we think that we should draw their attention to the benefits of being a member of J.F.L. Help them make their decision. I can only say what I do if a somebody was to ask me. One of the things ... the first thing I do, I say: "Look at our website and see the amount of information that is available to you about doing business in Jersey and all sorts of other things, regulatory process and the like. Look at our website." If they do look at our website they immediately see that here is a resource for them. We explain to them what we do and the sort of promotions we do.

We have publications which you may in fact have - and if you have not perhaps we should supply you with a set of the publications we have - as to the type of thing we do. Give them this information. Give them this information and they then make up their own minds whether they want to be members or not. I think the evidence is that in general they see this evidence and they think, yes, this is worthwhile and they join. There are very, very few, and those few tend to be very specialised and do not have the need for the sort of work we do, that are not members.

Mr. M. De Forest-Brown:

It is just worth noting that the website has a members login, so if you are not a member there are large areas of the facility that are not available to you. That is not the ultimate differentiation. Obviously there is the potential for a firm not to contribute and get the benefit of the work that is done in the round but I think the numbers in that category are very small. Most of them are persuaded by the login content that can be obtained if you are a member of J.F.L.

Deputy J.A. Martin of St. Helier:

Yes, I mean, part of our look into the finances, the value to ... you have again confused me because the overall Jersey Finance remit is to go out to the rest of the world and promote the Island as a finance centre, whether or not be it Joe Bloggs' firm up the end of the road is not subscribing to Jersey Finance Limited. That is where I still cannot quite find how it is clearly measured -- which is in your partnership agreement now, I mean it was not, like clear and measurable aims and objectives relevant and meaningful performance indicators. Where does the taxpayers' £1 million go? How much is it bringing in to the Island? Evidence, I mean we know that there has been an upturn in the finance industry in Jersey but it has also been an upturn across lots of other offshore jurisdictions. That is part of us and with your hat on as the chairman, where are these clear indicators?

Mr. P. Horsfall:

Can we perhaps talk about the partnership agreement and I will come to the answer. The history as to the need for an S.L.A. as it was called in those days, Service Level Agreement, which we have gone into and I will not repeat that. In the early discussions ... and I think it might answer a question you asked earlier this morning.

In the early discussions it was about an S.L.A. and they ran into some difficulty in that the standards of an S.L.A. which tells you how many of this you have to do and ... did not seem to fit. The discussions that were spent on the S.L.A. as an S.L.A. in fact did not make much progress because of the difficulty in measuring certain things. So it then got transformed into a partnership agreement which was, to some extent, based on trust. But it does call for some measurement. The actual measurement of the success of what we do is not that easy because we facilitate and our members then write the business. We do ask them to fill out forms and to give us information about how successful these things have been. So we do have a limited amount of information but it is not as much as you as politicians might hope for. But the fact is that they keep coming to the events and to the like, so they are getting some benefit. We might leave one event and we see somebody looking rather smug and say: "Have you done some business today?" They are extremely pleased, they have done a huge amount of business. Of course, they do not want to tell the chap sitting next to them because he is a different company in the same area of operations. It is quite difficult. But we do give people these questionnaires. We do have the reaction of our members who have come on it. We are confident of the benefit of what we are doing. Currently we are - with our relatively new chief executive - studying methods of getting a better feedback on some of these things to further enhance that. So I accept that it can be improved. I am confident that what we do and what we have is reasonable, but it is a very difficult area to get the sort of information you want for the reasons that I explained. Just on the partnership agreement as to the length of time that took. Some of the delay, I do not say all the delay, some of the delay we had that first go at it as an S.L.A. then the second go at it as a partnership agreement. I seem to remember that at the working level the agreement was concluded and it went off for approval by the Economic Development Committee, as it was at the time, and it did take a long time to come back. There was a big gap because I can remember board meetings where our Chief Executive, Phil Austin, reported to us that we still have not heard back from the Economic Development Committee about the partnership agreement. He said: "I am fairly sure it is going to be signed, but it has not been yet." So there was a delay there, for whatever reason, I do not know.

Mr. M. De Forest-Brown:

Can I just add. It is a bit of a difficult one this in that if you speak to any firm that markets generally ... there is a famous phrase in marketing and advertising which is: "I know that 50 per cent of my marketing spend is successful, unfortunately I do not know which 50 per cent." It is the case. In generic advertising you come across it every day as a user when you see adverts in the street and things and you ... nobody can track how that affected things and whether you chose to walk into the shop and buy as a result of it. Where you can is where people use certain advertising or marketing techniques such as off the page answer it. So if you put an advert in the paper and it says, you know: "Fill in this coupon, send it in and you buy some product." Then you can clearly track it. The nature of the beast, as Mr. Horsfall set out, is a difficult one to track. I think the best illustration I can give you of it is recently in 2004, in combination, the Expert Fund Regime was established. There is a good example where you might deem this technical research. You might deem it ensuring that Jersey is in the best position to promote itself as an Island. You might call it lobbying. But what happened was between government and industry the Expert Fund Regime was established and that was established in response to the fact that we were falling behind and we were not as competitive as we should be with other jurisdictions. A lot of free time was given by industry individuals to that process. Involved the regulator on this occasion because it is a regulatory aspect. Between everybody the Expert Fund Regime was established. That was in 2004. Today we have £50 billion worth of funds that are established. So if you want an example of where business is coming in. On the back of that Expert Funds Regime J.F.L. went to London, they did the London conferences and mentioned the launch. They had the separate funds conferences which they referenced at the launch. They go out and meet individual journalists and explain to them the new funds regime. They all go out and walk the streets, effectively, and meet specific targeted gatekeepers where they will explain to individuals. People in London who are the people who give this business out, there are key lawyers in London who really are the gatekeeper. Work comes in to them and then it is farmed out to different jurisdictions. So, that whole package put together of creating the law, ensuring it was, dare I say it, fit for purpose. Making sure that the thing was presentable. It was competitive and so on. That is the whole package. I give you that example because it covers so many of the questions you are asking. Was that technical? Was that making Jersey fit for purpose? Or was it ... was that lobbying because industry were asking government for that sort of law?

It is a hands-with thing in saying that if Jersey wants to remain competitive and get the wealth and the income that the Islanders enjoy then we need this law to remain competitive. I see that as part of marketing and developing and making sure that we are able to present Jersey with the best possible light. You have now £50 billion of funds under management in the space of 2 years.

Mr. P. Horsfall:

I was just going to -- something Martin said, made me think I did not answer one of the Deputy's question. You said other places are doing well as well. One of the things that we are very conscious of is that other places are doing well, they are spending huge amounts on promotion. In fact much more than we are. I remember we had the head of the equivalent of the British Virgin Islands who was in Jersey and she came to see us at Jersey Finance. We asked her what her budget was. I think it was at the time - this is about 4 years ago - 7 million dollars, which shows just how much some of these other places ... they are doing well but they are spending huge amounts. It is one of the driving forces behind us, that everywhere we go we find that these other people are either just about to come or have been before us.

Mr. M. De Forest-Brown:

What we do also know is that in Guernsey there are 600,000 provided for promotion. In the Isle of Man, we do not know the full figures, but we know that they have recently allocated the best part of £600,000 specifically for funds promotion because they have seen how successful we have been in that space. Isle of Man are making a particular drive in that area. In both of those jurisdictions there are no member contributions, so it is fully funded by government in both of those jurisdictions. The other point, just a small --

Deputy G.P. Southern:

While you are making that comparison, is that a position that we should go to? Let us take ...

Mr. M. De Forest-Brown:

That it should be fully funded by government?

Deputy G.P. Southern:

Yes.

Mr. M. De Forest-Brown:

I think the current model works quite well because there are occasions, as you said, there are occasions where the work that is being done by J.F.L. is really for the members and is not something that in the absence of its existence government would put its hands in pocket and say, we need to build this ourselves. I think for what J.F.L. does ... in my role as Director of International Finance, if it did not exist my first job would be to write a strategy for the Government to say: "These are the resources we need to keep ourselves competitive." In practice they are all there in J.F.L. and there is a lesser amount which is purely for the industry's benefit. I think the fact that we do that together in a joined up pot is the thing that gives us the real benefit of us being able to work effectively together. Just while it is at the top of my mind. Another good example of where we have done a lot of work is there have been a number of trips to the Middle East over the years. That is one that we all continually check, look at, see is that, you know, value for money? There are no harsher critics on anything that J.F.L. does or no harsher judge than the industry itself. Because they put their contributions in they are permanently observing that. The result of the Middle East trips over the years is we now have a number of firms who are established in the Middle East and we now have a regular flow of business from the Middle East. But it took time and it was a very slow burn.

Deputy G.P. Southern:

The question then is, I suppose, and this is a question I was going to pose to you, Pierre. What does it feel like to work for 2 masters? You have the industry itself saying, do the business, why are we funding you if you are not doing the business? We could be doing it separately ourselves. You also have the States saying, as part of that, you are also promoting the Island as a whole. Are you doing that effectively? Again I will bring you back to that question. How does it feel to work for 2 masters?

Mr. P. Horsfall:

I have to say it never occurs to me that we are working for 2 masters. I think seriously we are working for the Island of Jersey. But the relationship between us and

the Government is extremely good. You must remember that we now have 2 members on our board who are nominated by the Government. The relationship is extremely good. I think the relationship between J.F.L., the industry, the government and the Financial Services Commission, I think is one of the strengths of Jersey's international finance sector. It reaps dividends everywhere we go the fact that we will all work together, each obviously with their area. There is no question of the Financial Services division doing anything other than its job meticulously. I am not suggesting that but the fact that we do have a good understanding and good relationship between everybody involved is one of Jersey's strongest points where they are just seeking business in other parts of the world.

Deputy G.P. Southern:

If I just pose the question should perhaps the States be paying for all of this promotion, can I flip that and go to the other extreme? Is there a case for the industry doing all the promotional costs and developing its business in its own way and not having somebody to do it for them?

Mr. M. De Forest-Brown:

I think the point there is that a lot of these tasks would ordinarily be done by government. If you look at any larger jurisdiction which can manage the infrastructure - if you went to a UK market - all of the promotion of the industry or the UK as a centre, all of the people who develop new product law, all of the people who develop new tax law, they are all in government. They are all government employees. They will consult with industry. There you have a much clearer distinction in that in those jurisdictions, firms are often lobbying for a specific point of interest that they have. But if you go to any sizeable jurisdiction they will all have significant resources for this; the UK especially because it is the world leader in finance. It is extraordinary on first blush that Jersey's economy -- more than 50 per cent of the economy is driven in terms of finance. Yet the Government has how many employees? Has one employee. That is it. There is one government employee looking after half of the -- the reason why that is is because J.F.L. with effectively those activities -- many of the activities are outsourced to J.F.L. to provide those. Therefore, I think it is wholly appropriate that government is funding those activities that are outsourced to J.F.L.. I am aware that there are some considerations of

looking at the model for other areas of the Island's economy but that is the current position at the moment.

Deputy G.P. Southern:

Yes, can I just follow up with what you were doing before which was this area of new business? You have clearly described that as - either its technical advice or its technical matters and its new developments - it could be described as lobbying. Rather than the trip to Bahrain or wherever as often is seen as the focus of what you do, you are saying a substantial amount of the real work goes on in this semi lobbying role of new business; do this law, do it in this way, this is what works?

Mr. M. De Forest-Brown:

In terms of financial spend, the amount of spend that is done in that core - as you described it, semi lobbying area - is the vast majority. Sorry, vast minority. No, the minority - a very significant minority - of the spend. Just off the top of my head, if you look at the technical resource I would assume that that is probably something of the order of about 20 per cent of the overall spend of J.F.L. revenues. But that spend incorporates all of the product development, all of the elements that government would have to do if it was not being done somewhere else. In terms of that amount that is appropriate to allocate as lobbying purely, I think it would be very small by any standards. The nature of these legal developments in R. and D. (Research and Development) are very much that there is usually a long process where the regulator, the Government, industry, J.F.L. are working together. It is only in the very, very last part of that process invariably on any particular change where there is a disagreement. It is right at that last point you might find there are 2 or 3 points. If you look at what has come up recently on a whole range of areas, on any point whether it is on the G.S.T. (Goods and Services Tax) or companies law or I.M.F. (International Monetary Fund), you will find there are little bits at the end where there is a disagreement between government and industry or industry and the regulator about what the final position should be. But that is usually a very small part of the whole process because fundamentally government and industry are trying to do the same thing which is develop something that we can promote to increase the revenues for the Island.

Deputy G.P. Southern:

Can I just ... Deputy?

Deputy J.A. Martin:

No, I am fine.

Deputy G.P. Southern:

It may well be the last question although I am prone to saying that several times in sessions like this. With respect to that technical aspect one of the areas where we have had involvement of the industry is in devising how G.S.T. is to be applied to the industry. In that sense it seems to me to have a fast track into government because they have a degree of expertise in arranging things in taxation matters which to the outsider -- a naïve outsider perhaps might say: "Well, what happened to the 19,000 signatories to a petition on G.S.T. They did not get that sort of access. They were turned back and that they were refused." It seems to me that to an outsider it seems that an unfair advantage in terms of arrangement of taxation is given to the financial sector.

Mr. M. De Forest-Brown:

There is some confusion. I was very closely involved in this. There was some confusion over history. The idea of a flat rate scheme for finance came from government. It was a not an industry idea. That was a government idea tabled at a meeting of the Fiscal Strategy Group. The case for it was made by government at that meeting. The merits started to become clearer. It worked -- it was then involved from that period.

Deputy G.P. Southern:

So, an interpretation that says this was the finance industry lobbying or working in its own interest to arrange --

Mr. M. De Forest-Brown

Sorry, say that again.

Deputy G.P. Southern:

An interpretation that said this initiative came from the finance sector - finance industry - would be wrong?

Mr. M. De Forest-Brown

It is wrong. As a point of fact the idea did come from government. Because it was presented in the Fiscal Strategy Group which is a working group of the J.F.L., it then appeared as though it came from industry because it was the Fiscal Strategy Group that put that point forward. But its origin within that Fiscal Strategy Group was the idea came from government.

Mr. P. Horsfall:

Can I just turn your fast track round?

Deputy G.P. Southern:

By all means. By all means.

Mr. P. Horsfall:

A fast track access to the government - and I am quite serious about this, I am not being flippant - it is fast track for the government to expertise. The government wants to introduce a very complex measure and it has the benefit of a fast track to a source of advice and information that without it would have made life very difficult for the government. Maybe we can compromise and say that it was a mutually beneficial arrangement but it did give very rapid expert free advice to the government about things that it wanted to know about.

Deputy G.P. Southern:

That is the swing which matches the roundabout as it were.

Mr. P. Horsfall:

Exactly.

Deputy K.C. Lewis of St. Saviour:

I think you have touched on it, Chairman, just Jersey Finance Limited membership fees. Do you feel they are too low, too high, just right or as in other jurisdictions maybe should be phased out?

Mr. P. Horsfall:

I do not think they should be phased out. I think it gives a kind of tie in of commitment so I think it is good that they pay. I do not think they are too high. I think they are about right. We had an increase. We tend to increase annually by a small amount, if you like, but a few years ago we had an increase. We did have a little bit of pushback from some members to a degree where I left with the feeling that the fees as they currently stand are about right. I certainly would not remove them but I would not see the need for any significant increases. But I like the tie in that it gives the industry.

Deputy G.P. Southern:

I am aware of the time. I think it just leaves me to say thank you very much for your time. If there is something that you came desperate to say that we have not touched upon and you want to say, please, your moment is here.

Mr. P. Horsfall:

I have not got something burning I want to say but I will conclude by saying I do, having been on - let us call it - the other side for a period of time, I do think that Jersey Finance fulfils a very useful role and is very good value for money when you compare it to what the States would have to spend if it is going to do some of the stuff itself. The fact that we are copied by other places around the world and have been quoted by leading people from round the world as the best promotional body of any international offshore centre gives me a lot of encouragement. The final thing I would say is that in considering anybody's view of Jersey Finance - and I speak as the Chairman - the board of directors is made up of people who are the top of their profession. They are willing to give their time free of charge to sit on the board. I am talking about senior partners and the like who reach the tops of their profession. Apart from scaring me to death every time I have to chair a meeting with them, they are a great resource. The corporate governance of Jersey Finance with people like that on the board, you really do not have to worry about. They are red hot.

Mr. M. De Forest-Brown

My last comment would be with my government hat on, I think given the importance of the finance industry to the current and future well-being of the Island, I think it would be very odd if the government did not seek to have an active involvement as a minimum with J.F.L., with the trade body. I think it would be very odd if the government in a small jurisdiction was not working very, very closely with industry to ensure that together they are making the best opportunity of what we have got.

Deputy G.P. Southern:

Thank you, points noted. Thank you very much for your time.