

STATES OF JERSEY

OFFICIAL REPORT

THURSDAY, 31st MARCH 2022

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[9:30]

The Roll was called and the Dean led the Assembly in Prayer.

The Greffier of the States (in the Chair):

Before we start there were a few looks of surprise at the Deputy of St. Mary being away on C.P.A. (Commonwealth Parliamentary Association) business. He is actually away on B.I.P.A. (British-Irish Parliamentary Assembly) business. Before we return to the debate on P.28, the first item of business is the urgent oral question to be asked by the Connétable of St. John of the Minister for Treasury and Resources.

QUESTION

1. Urgent Oral Question:

1.1 Connétable A. Jehan of St. John of the Minister for Treasury and Resources regarding ...

In view of the apparent disparity between the Minister's comments in debate on P.18/2022 on the timing of borrowing for the Our Hospital project and the chief executive's remarks to the Public Accounts Committee on 28th March, will the Minister confirm whether or not the Government intends to enter into any agreement to borrow money for the Our Hospital project before the formation of the next Council of Ministers?

Deputy S.J. Pinel of St. Clement (The Minister for Treasury and Resources):

I apologise if there has been some confusion but as part of the Government Plan 2022-2025, the Assembly approved borrowing, including £1.2 billion of new longer-term debt, to cover the costs of both the Our Hospital project and the costs of refinancing the existing past service liabilities. I did not make that clear. I took it as one lump sum yesterday but that is the breakdown. In advance of longer-term borrowing being put in place, £21 million has already been borrowed from the revolving credit facility in 2021 in line with P.80/2021, which amended the Government Plan of 2021. This is short-term borrowing only. Government Plan 2022 highlighted that the execution of the longer-term borrowing would be carried out as a programme of issuance potentially over several years in line with the debt strategy. This will include taking into account the States' ability to raise debt. The level of debt that can be effectively issued must be carefully managed to ensure that we maximise the probability of achieving the amount we need and do not pay over the odds. Officers are currently working with our expert advisers to finalise an issuance strategy. It is likely that we will issue a first tranche of roughly £500 million but the exact amount and timings will depend on the market conditions. The proceeds from any issuance will be allocated to the repayment of past service liabilities based on the cashflow timings for payments and the benefits of delivering the savings quickly. Any balance would then be allocated as borrowing for the hospital but this is likely to be small; all as approved by this Assembly and the Government Plan. Further tranches of debt and issuance would be after the formation of the next Council of Ministers and, in the meantime, we would continue to use the short-term facility if required.

1.1.1 The Connétable of St. John:

Given the Minister is committed to this record level of debt, can the Minister confirm that she now has accurate forecasts for the running costs of the new hospital and that these will be shared with the Assembly?

Deputy S.J. Pinel:

I am not quite sure how accurate one could be on an estimate and nothing will be issued as far as the pay into the hospital until September/October based on the planning permission approval.

1.1.2 Deputy I. Gardiner of St. Helier:

Following the Minister's answer, we all agree that £1.2 billion accepted by the Government Plan is an option; we do not have to borrow £1.2 billion if we decide not. The Minister indicated that we have £500 million first tranche, would the Minister please give a breakdown for what this first tranche would be used?

Deputy S.J. Pinel:

I think I just did mention that. It would be for the pre-1987 pension debt service liabilities.

1.1.3 Deputy I. Gardiner:

Can the Minister confirm that no borrowing would be done for the hospital prior to the formation of the new Council of Ministers?

Deputy S.J. Pinel:

Only if there was, as I said before, anything left over from the £500 million, having paid off the pension debt, which in the long term will pay back hugely without that debt on our plates, and if there is anything left over that will go towards the hospital but no serious funding for the hospital will be until after planning permission has been approved.

1.1.4 Deputy K.F. Morel of St. Lawrence:

Would the Minister venture to advise the Assembly, how does she see the interest rates that will likely be paid on debt that is going to be asked for later in the year because interest rates at the moment are rising on a monthly basis? How does she expect it to impact the interest rate?

Deputy S.J. Pinel:

Yes, we are all aware that the interest rates are going up but, as I think I alluded to yesterday, this is a very long-term debt - we are looking at 30, 40 years - and for that sort of issuance then you can achieve a much lower interest rate than the market interest rate. Of course, the market interest rate is what is being paid on the reserves that we have. So, one will more than compensate the borrowing of the other.

1.1.5 Deputy K.F. Morel:

I believe when we discussed the debt in the Assembly, 2.5 per cent was the approximate level of interest that was talked about. Does the Minister expect 2.5 per cent to be achievable or will it be higher than that?

Deputy S.J. Pinel:

That is exactly what was said, Deputy, and that is what I still understand to be the case but I am not in charge of the markets, I am afraid.

1.1.6 Deputy S.G. Luce of St. Martin:

Can the Minister just clarify that? If, for example, she was to take a second tranche in 18 months' time, is she telling us that that tranche 2 will be at 2.5 per cent?

Deputy S.J. Pinel:

I cannot guarantee that, I am afraid. As I just said to Deputy Morel's question, we are not in charge of the market rates but what is being understood at the moment is the 2.5 per cent.

1.1.7 Senator K.L. Moore:

With regard the pension debt, what recalculation has been undertaken since the Government Plan, given the change in financial markets?

Deputy S.J. Pinel:

I do not have those figures, I am afraid. I was not expecting to deal out figures for the pension debt, but I can get them to the Senator.

Senator K.L. Moore:

Thank you, I would be very grateful.

1.1.8 The Connétable of St. John:

Following the Minister's confirmation yesterday that she had reached an agreement with 4 banks, could she please confirm what the terms of reference were for selecting a bank. If there were no terms of reference, on what basis did she reach an agreement with these banks and how many other banks was the Minister in negotiation with? What consideration, if any, was given to the issuing of bonds to local private lenders?

Deputy S.J. Pinel:

Interviews took place with more than the 4 banks on a tendering basis. I was not part of those interviews but it was a very thorough process and took place over about 2 months before selection was made.

The Connétable of St. John:

Were there private lenders?

Deputy S.J. Pinel:

As I said, I was not part of the interview process so I was just informed. Again, it is a confidentiality agreement as to which banks have been selected, but I was not part of the interviewing or selection process.

[9:45]

The Greffier of the States (in the Chair):

That was 4 questions in your final question. Possibly a written question might be ...

Deputy M. Tadier of St. Brelade:

He is learning quickly, Sir.

PUBLIC BUSINESS

The Greffier of the States (in the Chair):

Before we move on, Deputy of Grouville, I think you want to make a proposition about the order of business today.

Deputy C.F. Labey of Grouville.

Yes, if the Assembly would indulge me please. I would like to take the Jersey Overseas Aid: reappointment of a Commissioner next, if possible, because I have a funeral to attend this afternoon and the proposition is time-sensitive. If the Assembly would allow me, I would like to take it next.

The Greffier of the States (in the Chair):

That is to take that proposition, P.35, after we conclude the debate on P.28, which we are in the middle of. Is that proposition seconded? **[Seconded]** In which case, those Members in favour of the proposition kindly show. Those against? We will take P.35 after the conclusion of P.28. Deputy Tadier, did you have another point to make at this juncture?

Deputy M. Tadier:

I do not know my P. number but the property tax debate, which is at the very end of this paper, I would like to ask if I could move it to the next sitting.

The Greffier of the States (in the Chair):

That can just be done, that is fine. We will move that on to the next sitting.

2. Draft COVID-19 (Amendments – Extensions to September 2022) (Jersey) Regulations 202- (P.28/2022) - resumption

The Greffier of the States (in the Chair):

In that case we return to P.28 which is the Draft COVID-19 (Amendments - Extensions to September 2022 (Jersey) Regulations. We were mid-debate on the Articles, and the next person I had to speak was Deputy Morel, if you still wish to speak.

Deputy K.F. Morel:

No, thank you.

The Greffier of the States (in the Chair):

Does any other Member wish to speak on the Articles? If no other Member wishes to speak I will call the Minister to reply to the debate.

2.1 Deputy R.J. Renouf of St. Ouen:

I thank particularly the Minister for the Environment for his clarification of the issues that affect his duties and explaining how very carefully the Care Commission monitor care being delivered to vulnerable people in the Island and rather than, in a draconian way, go straight to measures such as closing care homes they will work with the care homes, work with others in the sector, including H.C.S. (Health and Community Services) to make sure there is adequate provision for those who are being cared for in the situation where we have COVID in the community, which will include staff in isolation and ill. That is a very careful process but it is still something that is necessary to undertake and for the regulation to be in place, that it would allow, in appropriate cases, the statutory provisions to be disapplied but in a way that still means that we care for our vulnerable people. As I have said, there are 11 regulations that we propose to extend. Lots of the dramatic stuff about COVID, the social distancing, the prohibitions on gathering, all those are being confined to the dustbin now and we are moving into a period where we are, in the main, asking people to manage their own risks and to take precautions, taking care of those around them and those with vulnerabilities. I believe this is a proper provision to make. This extends the ability to make regulations or the ability to use these regulations into September, no further than that. That will give adequate time for a new Government and a new Assembly to decide should it wish to continue, should it wish to drop them or should it wish to amend them. At the moment, apart from the Minister for the Environment speaking of the one care home in which an order has been made at the present time, they are orders extant which compel isolation in the case of positive cases of COVID but, apart from that, all the others are currently not in use. But the point is, it is important to have them on the statute book should a threat emerge so that Government can properly respond to it. Therefore, I would propose the regulations and ask first for a vote on Regulations 1 to 3 and then I will take 4 separately, and then the remainder of the regulations please.

The Greffier of the States (in the Chair):

Thank you very much.

Male Speaker:

May I raise the *défaut* on Deputy Guida?

The Greffier of the States (in the Chair):

The *défaut* is raised on Deputy Guida. We will now proceed to a vote on Regulations 1 to 3. I will ask the Greffier to open the voting and those Members who are online to vote in the chat. If all Members have had an opportunity to cast their votes I ask the Greffier to close the voting. I can say that Regulations 1 to 3 have been adopted.

POUR: 40		CONTRE: 2		ABSTAIN: 0
Senator L.J. Farnham		Senator I.J. Gorst		
Senator S.C. Ferguson		Senator S.Y. Mézec		
Senator T.A. Vallois				
Senator K.L. Moore				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				

Deputy C.S. Alves (H)			
Deputy K.G. Pamplin (S)			
Deputy I. Gardiner (H)			

Connétable R.A. Buchanan of St. Ouen:

Either I am going deaf but I am having terrible trouble hearing you this morning. I wonder if you could just turn the volume up on your microphone.

The Greffier of the States (in the Chair):

I will just be louder, I think. We now come to a vote on Regulation 4 and I will ask the Greffier to open the voting. Those Members online to vote using the chat. If all Members have had an opportunity to cast their votes I ask the Greffier to close the voting. Regulation 4 has been adopted.

POUR: 37	CONTRE: 6	ABSTAIN: 0
Senator L.J. Farnham	Senator I.J. Gorst	
Senator S.C. Ferguson	Senator S.Y. Mézec	
Senator T.A. Vallois	Deputy M. Tadier (B)	
Senator K.L. Moore	Deputy S.M. Ahier (H)	
Senator S.W. Pallett	Deputy C.S. Alves (H)	
Connétable of St. Helier	Deputy I. Gardiner (H)	
Connétable of St. Lawrence		
Connétable of St. Saviour		
Connétable of St. Brelade		
Connétable of Grouville		
Connétable of Trinity		
Connétable of St. Peter		
Connétable of St. Ouen		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Clement		
Deputy J.A. Martin (H)		
Deputy of Grouville		
Deputy K.C. Lewis (S)		
Deputy M.R. Higgins (H)		
Deputy J.M. Maçon (S)		
Deputy S.J. Pinel (C)		
Deputy of St. Martin		
Deputy of St. Ouen		
Deputy R. Labey (H)		
Deputy S.M. Wickenden (H)		
Deputy G.J. Truscott (B)		
Deputy J.H. Young (B)		
Deputy L.B. Ash (C)		
Deputy K.F. Morel (L)		

Deputy G.C.U. Guida (L)			
Deputy of St. Peter			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy J.H. Perchard (S)			
Deputy K.G. Pamplin (S)			

The Greffier of the States (in the Chair):

We now come to vote on Regulations 5 to 12 and I ask the Greffier to open the voting. If Members have had an opportunity to cast their votes I ask the Greffier to close the voting. Regulations 5 to 12 have been adopted.

POUR: 39		CONTRE: 4		ABSTAIN: 0
Senator L.J. Farnham		Senator I.J. Gorst		
Senator T.A. Vallois		Connétable of St. Brelade		
Senator K.L. Moore		Connétable of St. Martin		
Senator S.W. Pallett		Deputy I. Gardiner (H)		
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				

Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				

Senator I.J. Gorst:

May we raise the *défaut* on the Chief Minister.

The Greffier of the States (in the Chair):

The *défaut* is raised on the Chief Minister, Senator Le Fondré.

The Greffier of the States (in the Chair):

Do you wish to deal with the matter in Third Reading?

2.2 The Deputy of St. Ouen:

Yes, if I can propose the Third Reading and thank Members for the support, I hope I anticipate, and thank the officers for their continued work on the set of regulations over many renewals. It is a hard job trying to just keep everything in line and ensure our COVID response is fit for purpose.

The Greffier of the States (in the Chair):

Is the matter seconded? [**Seconded**]

2.2.1 Deputy J.A. Martin of St. Helier:

I will be brief but I could not let this go and I presume this will be, we hope, the last COVID-related legislation that this Minister will take through. But I just wanted to say, going back over the last 2 years, this Minister was not even the choice of the Chief Minister. It is what it is, and people also think that to be a Minister for Health you should have some sort of medical knowledge like they think the Minister for Education should be a teacher or something. But we actually got a fantastic lawyer who took through some of the most complicated fast legislation I have ever seen in this Assembly pass, with the help and calmly making himself available to everybody's scrutiny and Scrutiny did their job as well. I could not let that go because we are losing a fantastic States Member because he has decided to leave but he is absolutely ... the Island does not know that we had somebody who could keep calm and explain this legislation, hundreds and hundreds of questions without notice, I could not have done the job. All the other hours he put in, even we could not get ... you had C.O.M. (Council of Ministers) from there to there deciding on what should be in and out. I just want to say a real personal thank you to the Minister for Health and Social Services for getting us through this. [**Approbation**]

2.2.2 Deputy J.M. Maçon of St. Saviour:

I completely echo the sentiments of Deputy Martin. I have stood up in this Assembly virtually to give praise to the Minister for his service during the pandemic, as well as the Chief Minister, I mean how they have managed to both get through this and not have a mental breakdown is quite an achievement and something which I have great respect to both of them for. But just a very small point because so much has been coming and going, I wonder if the Minister, with respect, could just

send an email round to States Members to tell us what is still in effect, what is not in effect with regards to the COVID legislation; that would be very, very helpful, just so we know where we are today.

2.2.3 Senator J.A.N. Le Fondré:

Only to add to the embarrassment of the Minister for Health and Social Services because I was going to do this at a much later date but to also place on record my absolute thanks to Deputy Renouf, the Deputy of St. Ouen, to the Minister for Health and Social Services because I absolutely do agree with all the sentiments echoed by Deputy Martin. I will say this to all the competent authorities Ministers and to all States Members but the amount of work that the Minister for Health and Social Services has put in in helping to protect Islanders during COVID really is not understood and we really do owe him and all his officials and all the teams who have helped us a huge debt of gratitude. I think there are other times to say that but I could not resist the urge to add to the Minister's embarrassment today. **[Approbation]**

[10:00]

2.2.4 Deputy M. Tadier:

I do have some genuine points for the Third Reading but I think it is absolutely appropriate for Members to add their congratulations to the Minister. As somebody who is not a fellow Minister and not necessarily always in a position to offer friendly balls, if the cricket analogy is to be permitted, I must say that I have always found him very approachable and proactive. He does listen, which is something which is not the case or certainly not the perception for the wider public. It does not mean that everything is rosy in the garden of health and there will be some serious challenges to continue to work on for the next Assembly but certainly for my part, and I know others feel the same, we have had a good one when it comes to the person of this Minister. In talking about now what we have in terms of this law in the Third Reading, there are still areas that do not just concern me but clearly concern other Members. We have seen a small but unusual coalition of States Members who have got concerns, in particular I think about the way that COVID has affected and continues to affect, potentially, some of the more vulnerable groups in our society. That is why I am going to have difficulty voting for this in the Third Reading because it continues those concerns about care homes. I think after the dust has settled and we do not know exactly whether we will ever have any clarity on some of the tough decisions we need to make and what the state of COVID is when we have a state of the nation type approach to looking at COVID, not just locally but globally, we will see, I believe, that those who have been most affected are the elderly and vulnerable and not just the elderly but those in care settings, who, unfortunately, not necessarily by design but have been locked away and sometimes forgotten about but, hopefully, not the latter. The very young whose formative memories will be of mask-wearing, curfews, isolation and not being able to go out and that is reminiscent, I think, of what Jersey people 2 generations ago would have also been growing up with. We cannot underestimate the profound effect that might have on those groups. I think it is absolutely right that Members have expressed concerns about what is contained in some of this law, even if it does not come to pass, and we hope it will not, it is always important to be vigilant.

2.2.5 Deputy J.H. Young of St. Brelade:

I absolutely endorse all the comments about the Minister for Health and Social Services. He has navigated us through and of course I think we should bear in mind that on his decisions, wise decisions, a whole host of legislation that we had to adopt has now been removed. What we have left is what now we really need. Of course I was reminded, not that I needed reminding, but going over the information last night of the situation that our care homes face with the number of infections affecting staff and so on, it has reminded me - and I think it should remind us all - that in circulating that information there is currently such an exemption measure having to be enforced, is that the infection is very much with us still. I think what the Minister has led us through is help us manage

that. But none of us know in the future and, therefore, I think it reinforces why we need to extend these powers and of course they will only be used if and when it is necessary. But I do think, picking up Deputy Tadier's point, these 2 big lessons, yes, these decisions had to be made, unfortunately, and there have been sections of our community badly affected more than others. Some probably were inconvenienced, others have been badly affected. I think the lesson for the next Government is to put decent resources into that because there is only one answer to care homes is to improve the pay and conditions of care homes, to help us to try and get the staff we need and so on, and that is a project which I have asked the commission to look at. The other matter is about mental health and particularly children; that means resources and really upping that. But I think the case is absolutely made to pass this today in Third Reading.

2.2.6 Connétable D.W. Mezbourian of St. Lawrence:

Five of the regulations, I believe, apply to the Office of the Superintendent Registrar. Deputy Young has just mentioned the need for additional resources for care homes. I do question whether the Office of the Superintendent Registrar, which comes under the Department of Home Affairs, needs additional resources themselves. Because what we heard yesterday is that they are resourced with very few members of staff and if those members of staff were to contract COVID themselves or become ill in other ways, they would not be able to manage their duties and responsibilities, which includes the superintendent registrar managing the issuing of death certificates. I do believe that the Minister should give consideration to granting additional funds to the Office of the Superintendent Registrar because we are fortunate that we have never faced a crisis regarding the issuing of death certificates. But were we to face that the impact on families involved would be catastrophic and we cannot ever place ourselves in that situation. Whether it is for this Minister or presumably the next Minister for Home Affairs, I believe should really take that into consideration.

The Greffier of the States (in the Chair):

Does any other Member wish to speak on Third Reading? If not, I call on the Minister to respond.

2.2.7 The Deputy of St. Ouen:

I really was not expecting much of what has been said and indeed I really think you should have stopped many of those speeches as being totally irrelevant to the Third Reading. But I really do thank Members for what they have said, whether just now or on other occasions when they have spoken to me, and I thank Members for their support throughout this time. As an Assembly, we have navigated COVID for the Island and I think we have come out in a good position; we could have been in a worse position. I am not sure we could have done it any differently or better, we are where we have arrived and in large part, I believe, we have kept the Island safe. That has not been down to me. I played a part but it is Ministers, it is this Assembly, it is our advisers and officers. We have received really good advice, considered it is drawn on learning from all around the world and it sometimes challenged us because, as Ministers, we want to do things differently or go a bit faster or put in different provisions. Sometimes we have challenges, sometimes we have even made the decision not quite to follow the advice as presented but that is our job. But always we have appreciated that advice and understood where it is coming from. I thank our Scrutiny Panel as well; good challenge from Scrutiny at all times, an understanding and supportive panel wanting to work for the good of the Island. My officers in public health and the Ministerial Support Unit has just been a great help and, like virtually everyone in the public service, have gone above and beyond the call of duty, especially in these last 2 years, recognising that we were in an emergency and it was all hands to the pump. They have responded wonderfully and been the epitome of public service. There are so many people to thank. Again, I thank Members for what has been said but I just stand at the front of the queue of lots of people who need to be thanked and we should be grateful for. **[Approbation]** Thank you. Moving on to other comments, yes, I will ask that Deputy Maçon's request be fulfilled, what is still in effect. All those regulations will be available to be used. As far as I am aware, at the moment we

are still using the isolation requirement. Deputy Young has spoken about it just recently, he has used the one relating to a care home and there are still those controls or those different ways of working in the Registry Office and lawyers can still execute wills and other documents in the audio-visual way but we will get that recorded. To Deputy Tadier and others, I absolutely recognise the concern over vulnerable people, that has been, of course, what has been our greatest concern throughout this. Because from the very beginning it was the elderly and those with pre-existing conditions who were most at risk. I do not think it is right to say that they were sometimes forgotten about, I do not think they were ever forgotten about. But of course, it is true that care homes were locked up sometimes and both Deputy Tadier and I were involved in that personally through family connections. It is painful and it is not at all what we wanted to happen but it is a case of measuring and then balancing the risk at that time. It was the right thing to do to say to these people in care homes: “No, you cannot have visitors. No, you cannot leave the home.” From the real point where now it sounds just so horrendous to say that but we were in that position always though to keep them safe, not to impose some arbitrary draconian regime. Deputy Young spoke about the staff shortages in the care sector and, yes, that is a worrying issue but these regulations are not used to address staff shortages per se, they have to be related to a COVID issue. It is only if the shortage arises because of COVID-related issues that the Care Commission is authorised to give this application of the normal statutory provision. To the Connétable of St. Lawrence, I am sure that the Minister for Home Affairs has heard what you have said. It is right, it is a very small office that is essential to the running of the Island and we need to make sure that it does not fail. I pay tribute to the registrar who has been one of those people working tirelessly with all sorts of people, from funeral directors to the hospital, to make sure that necessary functions of registering births and deaths and maintaining the ability for people to marry continues and that has sometimes been hard through COVID because it involves risk, which is obvious. Once again I thank Members and propose the regulations in Third Reading.

[Approbation]

The Greffier of the States (in the Chair):

I come to the vote in Third Reading and I ask Members to return to their seats. I ask the Greffier to open the voting for Members using Teams to vote using the chat. If all Members have had the opportunity of casting their votes, I ask the Greffier to close the voting.

[10:15]

The regulations have been adopted in Third Reading.

POUR: 38		CONTRE: 7		ABSTAIN: 0
Senator L.J. Farnham		Senator I.J. Gorst		
Senator S.C. Ferguson		Connétable of St. Brelade		
Senator J.A.N. Le Fondré		Deputy G.P. Southern (H)		
Senator T.A. Vallois		Deputy M. Tadier (B)		
Senator K.L. Moore		Deputy S.M. Ahier (H)		
Senator S.W. Pallett		Deputy C.S. Alves (H)		
Senator S.Y. Mézec		Deputy I. Gardiner (H)		
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				

Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy J.H. Perchard (S)				
Deputy K.G. Pamplin (S)				

3. Jersey Overseas Aid Commission: reappointment of Commissioner (P.35/2022)

The Bailiff:

The next matter is the Jersey Overseas Aid Commission: reappointment of Commissioner, lodged by the Minister for International Development and I ask the Greffier to read the proposition.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion to reappoint Therese Morel as a non-States Commissioner of the Jersey Overseas Aid Commission effective immediately for a 3-year period until March 2025, in accordance with the Jersey Overseas Aid Commission (Jersey) Law 2005.

3.1 The Deputy of Grouville (The Minister for International Development):

I would like to thank the Assembly for allowing me to take this out of order to attend my friend's funeral. I hope I have more success today than I did yesterday. The 2005 law requires me to appoint a balanced commission of commissioners and it gives me great pleasure to ask that Ms. Therese Morel should be reappointed as a non-States commissioner. She has already served 3 years and her contribution is invaluable to the commission. Ms. Morel was born and educated in Jersey and then followed sort of 3 decades with the U.N.H.C.R., which is the U.N.(United Nations) Commissioner for Refugees and leaving that post at a very high level. She returned to Jersey and we appointed her as a commissioner. As I say, her experience over those 3 decades and sort of life experience is invaluable to the work of the commission. I recommend her reappointment for a further 3 years.

The Bailiff:

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition? If no Member wishes to speak on the proposition, then I will take this on a standing vote. Those in favour, kindly show. Those against? The matter is passed on a standing vote.

4. Draft Sea Fisheries and Aquatic Resources (Portelet Bay) (Jersey) Regulations 202-(P.29/2022)

The Bailiff:

The next item of Public Business is the Draft Sea Fisheries and Aquatic Resources (Portelet Bay) (Jersey) Regulations, P.29, lodged by the Minister for the Environment and I ask the Greffier to read the citation.

The Greffier of the States:

Draft Sea Fisheries and Aquatic Resources (Portelet Bay) (Jersey) Regulations 202-. The States make these regulations under Articles 2 and 20 of the Aquatic Resources (Jersey) Law 2014 and Articles 2 and 29 of the Sea Fisheries (Jersey) Law 1994.

Deputy J.H. Young (The Minister for the Environment):

Can Deputy Guida be *rapporteur* for this item, please, Sir?

4.1 Deputy G.C. Guida of St. Lawrence (Assistant Minister for the Environment - rapporteur):

Today I present a Draft Sea Fisheries and Aquatic Resources (Portelet Bay) (Jersey) Regulations for consideration by the Assembly. Members will be well-aware of the complicated nature of marine management and so I am delighted that this long-term ambition will, with the Assembly's support, come to fruition. These proposed regulations create a highly protected marine area, commonly known as a no-take zone. The Sea Fisheries (Jersey) Law 1994 and the Aquatic Resources (Jersey) Law 2014 give the Minister for the Environment the vires to create such an area. However, before going into specific details it is perhaps useful to give Members a brief explanation of a no-take zone and the evolution of the proposal here. No-take zones are designated marine areas in which all captured fishery methods are prohibited. This includes all commercial and recreational activities. No-take zones are a highly protected form of a marine protected area, the use of which has become common across the globe, often in response to environmental degradation over-fishing. Since 2001 Jersey has designated 150 square kilometres of its territorial sea area as marine protected areas, including large offshore areas around Les Écréhous and Les Minquiers. This was done proactively to protect key habitats, such as seagrass, kelp forests and maerl beds from potentially destructive fishing methods. Jersey's current marine protected areas are designed such that while the most restorative fishing techniques are banned, other lower-impact activities, such as angling and potting, are permitted. However, a no-take zone is much more restrictive and requires the prohibition of all forms of fishing. For this reason, the creation can be controversial and they tend to be less common than other marine protected areas and occupying much smaller areas. For comparison, the U.K. (United Kingdom) has just 3 no-take zones designated for conservation purposes; at Lundy Island in Devon, Flamborough Head in Yorkshire and the Isle of Arran in Scotland. Most marine-protected areas will offer widespread but targeted benefits to the marine environment, which will often spill into adjacent unprotected areas. This includes increased commercial catches from the spillover of expanding population within the marine-protected area, as well as enhancing resilience, climatic impact and genetic diversity. By prohibiting all fishing, no-take zones offer the additional prospect of restoring all marine habitats and species populations to their natural undisturbed predisposition. As well as spillover and other benefits, this allows scientists and fishery managers to monitor and study complex ecosystems and species populations in their unexploited states. For example, at each of the U.K. no-take zones fish species and structurally complex habitats were found to occur in higher

densities and, at the site, significantly larger size compared to controlled areas. Members may not be aware that the creation of a marine park in Jersey was first proposed in 1978, with Portelet Bay being suggested a candidate for what would have been Britain's first marine nature reserve. Starting in 1982 the University of Portsmouth, then Portsmouth Polytechnic, made annual visits to Jersey to make surveys of different areas of coastline. Several bays and coves were studied but Portsmouth soon targeted Portelet Bay, which became the subject of intense study between 1982 and 1986. In 1988 the marine laboratory team produced a report which proposed that Portelet Bay should be designated as a marine reserve, not just to conserve the several hundred species and multiple habitats they identified but to provide the Island with a natural laboratory, like other protected terrestrial sites, could be visited, monitored or studied by the people of Jersey, as well as the tourists, schools, voluntary organisations, those visiting experts and universities. In the years that followed the marine reserve proposal was revived on several occasions within Government but was never implemented. The idea of a marine reserve had long been discussed with members of the Société Jersiaise's Marine Biology section, who had spent years intensively surveying Jersey's entire coastline and its offshore reefs. This resulted in the identification of over 3,000 species and the ecological mapping of over 400 square kilometres of seashore and seabed. As part of their research and survey work, the marine biology section wanted a small area of highly protected coastline which they and other matter but also professional naturalists could monitor across a period of several years. Their vision was to have a protected natural laboratory where species and habitats could be monitored and evaluated over time, not just by the Marine Biology section but also by anyone with an interest in local marine life. Given the University of Portsmouth's 1988 recommendation and the volume of historical data associated with this, Portelet Bay was the Marine Biology section's preferred site. In April 2018 the marine biology section lodged a proposal with the Marine Resources Panel to create a no-take zone in Portelet Bay, which would cover an area of a quarter of a square kilometre. Half of the area is intertidal and the other half subtidal. This proposed closed area represents a small fraction of Jersey's territorial seas and excludes the adjacent headlands, these are used by shore anglers. The Marine Resources Panel was receptive to the idea but concerns were raised by the commercial fishing sector about the use of the bay by local small-scale fishermen to store or set pots during stormy periods. The panel requested that other potential sites around the Island be evaluated, with Archirondel being suggested. Secondly, several sites were evaluated, including Beauport, Bonne Nuit, Archirondel, Anne Port, Grève au Lançon and Bouley Bay. None were considered suitable, as they were either too restricted, had potential sector order conflicts, usually around harbour areas, such as Bouley Bay or did not have a suitable range of habitats for the proposed monitoring. Portelet Bay remained the most practical location, both in terms of geography, natural diversity, access and, most importantly, historical baseline data. In late 2018 the panel agreed with the marine biology section's conclusions and recommended to the Minister that a no-take zone for Portelet Bay was established for the purpose of conducting a science-based assessment. It is intended that this legislation, if agreed, will prevent the taking of any marine like animal and plant life by any method from Portelet Bay. The Sea Fisheries (Jersey) Law 1994 allows for the regulation of sea fish, including shellfish and the Aquatic Resources (Jersey) Law 2014 allows for the regulation of any marine aquatic species, other than sea fish. It is the intention that organisms would be afforded protection within the no-take zone. Members will be well aware of the complexities of fisheries management, particularly in light of the Trade and Co-operation Agreement. They cannot show the Assembly that this legislation does not impact on the T.C.A. (Trade and Co-operation Agreement) and cannot impact French fishermen, as the area proposed is adjacent to the coast and within the 3 miles exclusive limit. I would also like to take this opportunity to thank the Connétable of St. Brelade and members of the Environment, Housing and Infrastructure Scrutiny Panel for taking the time to consider the regulations in meetings with my officers. While the extent of this draft regulations is small, it nonetheless forms an important piece within the complex jigsaw puzzle that is fisheries management. It is my view that this is another important step in pulling together the overall package needed to conserve, protect and enhance the

precious marine resources in the waters around the Island. I urge Members to support this proposition.

The Bailiff:

Thank you very much, Deputy Guida. Is the principle seconded? **[Seconded]** Does any Member wish to speak on the principles?

4.1.1 Connétable M.K. Jackson of St. Brelade:

Professional fishermen, in the form of the Jersey Fishermen's Association, are reluctantly resigned to this proposition, but it is pointed out that they are sceptical as to what might be gained, given it is what is described as a high-energy area of our coast and subject to the effects of winter storms and of course our normal strong tides. It follows that the small amount of potting and netting which does take place there would make little measurable difference. On balance, they consider this is the least worst area to be designated a no-take zone, but I would remind Members to respect the needs of our fishing fleet in these challenging times. Continuing on with the fishing fleet, we must not lose sight of our very, very local fishing fleet, namely those based in Ouaisné and those based in St. Brelade Bay. There does not appear to have been any consultation with them. They are the ones who might fish there and pot or net in the area.

[10:30]

I think we have got a little bit bound up in the science of the whole matter, to the detriment of people earning their living from the sea in that area. Those who are familiar with the area in question will know that west of Noirmont Point there is a deep bay in which a few pots are set and in fact there is a reef to the south of L'Île au Guerdain or Janvrin's Tomb which is also suitable for potting, as is the east side of Le Fret. I would add that I question how the proposals can be possibly policed and whether the department will be pursuing every small child with a fishing rod or net who happens to catch a shrimp because, according to the regulations, they will fall foul of this law and I do not think that is acceptable. Will the department have their patrol boat at sea? Will they have officers stationed on Le Fret Point or Noirmont Point observing with binoculars those who might transgress the regulations? I think not. I do not think they have the resource to do so. I hope Members will forgive my scepticism, but any legislation which cannot be policed has to be ineffective. What, for instance, is the definition of a fishing boat? I know it is referred to in the law, but there are lots of variations. There may be registered fishing boats which fall within the law but there are lots that do not because they do not fish professionally and they go out and put a few lines out from time to time. They will be criminalised if they dare do that in this zone. I do not doubt any of the evidence produced to improve our scientific knowledge. It is essential to increase our fish stocks and in fact conserve them, but I do not believe this is at all a practical solution. There may be other solutions around about the coast which are not bordered by a very popular tourist beach, I have to say one of most picturesque of the Island, and I am very proud of in my own Parish. I think principally the wording of the Article suggesting that - and I can speak to that later - all captive methods are prohibited is a very, very dangerous one and perhaps the Minister in his summing-up could answer this. As I see it, we have options. I mean, from the panel's point of view, we could draw this in for Scrutiny, but realistically at this time of the term, it effectively would not happen until next year. The Minister has the option of taking it back for reconsideration or Members just vote against, so I do not stand here with enthusiasm to point out what I am saying, but I think it is a poor law and we need to consider that and I am sure Members will in due course.

4.1.2 Deputy K.F. Morel:

Given the reference in his opening speech to the Environment, Housing and Infrastructure Scrutiny Panel and the work that they have done, I am slightly surprised to hear the Connétable's comments, as Chair of that panel, because it sounds like they have a lot of unanswered questions, perfectly valid

questions, but it sounds like they are unanswered, which was not the impression I got from the opening speech by Deputy Guida. My questions really relate to - and it is a question really - Deputy Guida in his speech mentioned laboratory and this becoming a laboratory. In order to properly observe something and understand how it has changed over time, you need to understand the initial conditions. I was wondering how much understanding of the initial conditions with regard to the amount of fishing and the intensity of fishing in all its forms in that bay does the Minister have - or does the Assistant Minister have, sorry - because I think it is important. If you understand how something has improved, it is really important to know how much fishing was going on beforehand. I am personally quite supportive of this. I am not in any way asking these questions with a view to trying to find holes. I am genuinely interested. The other thing was with reference to my own pet peeve when it comes to quiet bays on a sunny afternoon in Jersey, was any consideration given to banning jet skis from this area? Because I am sure the fish would appreciate that a great deal.

4.1.3 Deputy M. Tadier:

That is not a bad idea. I think that is a good idea. I think Senator Gorst, who is capable of making his own speech, says it is your department, but I am not going to get involved in this Ministerial spat. They are big enough to do that themselves. I got very good at a new kind of fishing a couple of years ago in Grouville. I used to go out with fishing rod, ostensibly trying to catch mackerel or bass, but I was one of the early adopters of a new phenomenon called vegan fishing in Jersey, where I exclusively for a period of time just caught wrack, which was great, [Laughter] apart from the fact that it was not intentional. I think that was really sustainable. The reason I make that point is that there is a more serious side to that. Whenever I go out fishing - and it is something that is enjoyed by locals, either for leisure occasionally, if you are fair weather fisherman like me or more seriously by professionals and in all kinds of weather - I always have that niggle at the back of my mind wherever I am, if it is at the back of St. Brelade's pier or if it is St. Catherine's or one of the other ports about what happens when I lose my line. You try not to, but invariably you get snagged every now and again and you lose your feathers and possibly the lure that you have got on the bottom. The environmentalist in you and the keen citizen is thinking: "Okay, on the one hand I have just lost my line, I am going to have to replace that, but what has happened to that now? It is going to be somewhere on the seabed. I hope it does not cause any damage to the natural environment" but more seriously maybe, what happens if there are dogs and people walking at low tide? I have been down to the back of Gorey to find either mine or someone else's. I found a really nice Panama hat once which I thought was my brother-in-law's, and it was not, so I got a really nice Panama hat and it survived the tides even at Gorey. That is just a little story for you all about how rich fishing can be, although I am still waiting to get anything valuable when it comes to marine life for my fishing pot. When I think of Portelet, I also think that we know that St. Petersburg is often called the Venice of the north, but Portelet is the Plémont of the south, except it has got the added benefit of being better than Plémont, I think. It is one of those bays which I think is beautiful historically. It has obviously got the Portelet mound and Janvrin's Tomb on the top, which is just not iconic, but it has got a wonderful history attached to it. It is a bay that is largely used by families for touristic purposes. It is not a bay already where you would naturally identify it as being a fishing bay, so I think it is an appropriate place to start this. We have been contacted by one environmentalist, who points out the fact that it is just 0.001 per cent of local waters, but that when you actually instigate no-catch zones like this, it can have a really disproportionate - positively disproportionate - effect, which he says sometimes can improve production by 450 per cent. That is not just good for the wildlife though, it actually good for the fisher people potentially because it means that we can have little pockets around the Island which can act as breeding grounds. I am sure that is part of the intention there. What I would ask for the Minister, and I think he talked already about a laboratory, if he could just in his summing-up talk about the measurables and how that will be done. I would imagine that we will know what the starting point is about the marine life there and in a year or 2 years or whenever it is,

his department will be going back there to monitor and find out what the consequence has been for the fish stocks there and the other marine environment.

4.1.4 The Deputy of St. Martin:

I rise in surprise as I saw this on the Order Paper because I have to say to Members, as I remember it, this was a decision I took back when I was Minister for the Environment and I think that must be at least 6 years ago now. I was staggered to see that it has taken so long to get it to the Assembly. I do not need to do much research because I was convinced at the time and I am still convinced now. Something else that happened during my Ministry was we expanded the no mobile gear zone at the Écréhous and one of the reasons we did that was to encourage marine wildlife to thrive and scallops particularly to breed. What happens then is that the small juvenile scallops move out into areas where they can grow further and then be caught by fishermen and sold commercially. It is a win-win situation. I think this is the same. I appreciate that some inshore fishermen may be affected by this, but what I would say to them is areas that are no-fish zones completely allow juvenile stocks of all sorts of marine creatures to thrive and to grow and to multiply and that is only a benefit to those areas outside of that that benefits fishermen as well as everybody else.

4.1.5 The Connétable of St. Lawrence:

One of my parishioners has a very strong interest in environmental matters and contacted me some time ago to ask whether it would be possible for Honorary Police officers to have an environmental remit as part of their duties. I have passed that question on to the Comité des Chefs de Police, who have responsibility for operational policing, but that same environmentalist has contacted me regarding this proposition and he has asked the question that struck me when I first read it, which is how will it be policed. The Constable of St. Brelade said you should not enact a law if it cannot be policed. I remember over the years we have had very long discussions about the potential of enacting laws that cannot be policed, and those that spring to mind are the not allowing smoking in business vehicles, because I am sure everyone drives along and sees vans and lorries that we know are commercial vehicles and have the drivers or the passengers smoking in those vehicles. I am not aware of anyone that has been prosecuted under that law. Similarly, I remember the debate about the use of cycle helmets, which presumably now everyone thinks is a marvellous thing and we would not backtrack on that, but is it policed or does the law, by being there, make people think twice about not smoking in commercial vehicles and not wearing their cycle helmets? That is open to debate, but I think the point is that this is a law that would need to be policed. I would ask the Minister how that will be effected. How will it be notified to the public? Will we have a plethora of signs throughout the bay? Would he consider - this is a question from my parishioner - a form of honorary wardens to ensure that if this is adopted that it is policed and those 9 and 10 year-olds with their fishing nets, would they be given words of advice? I cannot remember who mentioned that - was it the Constable of St. Brelade - but I suppose when you look at it, then this law does apply to everyone and it is quite clear that it is an offence to fish for sea fish via any method, including the net of the 9 year-old child. Those are just a few additional questions for the Minister.

4.1.6 Deputy G.P. Southern of St. Helier:

Just briefly in response to the Connétable, I think there is a method for policing issues like this which are difficult and it is called the great Jersey public. If somebody is fishing in this little spot surreptitiously or whatever, somebody will be reporting it to somebody and something will happen.

[10:45]

That is the way Jersey works, it seems to me.

The Bailiff:

Does any other Member wish to speak on the principles? If no other Member wishes to speak on the principles, then I close the debate and call upon ... I beg your pardon, Deputy Young has indicated a desire to speak.

4.1.7 Deputy J.H. Young:

I was not planning to speak because Deputy Guida made an excellent job of getting the whole position and the story and the history and the reasons and the benefits for this proposal, but a couple of points I would like to highlight. First, we do of course have a body called the Marine Resources Panel. The Marine Resources Panel is a very broad-ranging group comprising commercial fishing interests. It includes recreational fishermen, anglers, the aquaculture industry and of course those in the Jersey Fishermen's Association. Those meetings, I have attended quite a number of them, as has Deputy Guida. They always have a real thorough opportunity to discuss just about every proposal that comes forward under fisheries management and this is one such. I know, I am aware that there has been a long history over this, but I think it is time that this proposal came forward to the Assembly because obviously we have had other debates only a few weeks ago about the principles of marine conservation and so on. What we have here is a very, very small area where there is an outstanding case for if there is to be an area, this is to be the case. We had a debate yesterday about international importance. I think the fact that Jersey designates such an area I think would really be very, very good for the Island's reputation. It is a relatively small cost because it is just the odd perhaps one or 2 individual fishers that we do know. The Deputy of St. Martin is right, there will be some inconvenience there. But on the question of enforcement, it did occur to me, I think we have many legislations in place, for example, on the road with speeding, we have even, for example, jet skis. We have 5-mile zones at sea and of course how effectively do we enforce then? I am not saying that ... do we staff up and build up great big enforcement processes? No, I think Deputy Southern has got the right principle. With community support, these things can work and they will set a standard and a norm of behaviour and so on, and of course we will not have signs proliferating all over the place. Nobody wants that. What signage, if it is required, would be very modest, but of course notices to the Harbour Office, to boats and so on, getting awareness of what is here and why and the benefits of it. Of course, this area here is quite overlooked and there are a lot of residents in that area. I frequently get phone calls and emails about people cutting down trees, people doing this or that they are not happy about and so on. I think as a community we should be able to find ways of being able to pick up on that and deal with things in a not draconian manner. This is, I think, a small but a very, very important step. That is the approach that I wanted to take and I would ask the Assembly please give this support. It is very important.

The Bailiff:

Thank you very much, Deputy. Does any other Member wish to speak on the principles? If no other Member wishes to speak on the principles, I close the debate and call on Deputy Guida to respond.

4.1.8 Deputy G.C. Guida:

I think this shows reasonably well ... all these very valid comments show very well how difficult it is to create marine protected areas, how difficult it is to create marine no-take zones. I would like to remind Members of a very small part of this speech. The United Kingdom has 3 of them. We are going to add one more to them if we get this today. This is how rare and how difficult they are. I hope that the Assembly will recognise that creating a marine park that is anything other than just a word is that difficult. This is the time, the amount of effort that it takes. In this particular case, this is the end of 40 years of science and 40 years of consultation. Yes, when Minister Young and myself first entered the Marine Resources office, this had already been approved. This was as Deputy Luce said it. There was absolutely no problem for us that this was going to pass, everybody agreed on it, and we still had to negotiate and consult and argue about it for another 4 years before eventually we

were ready to do it. I think that now we have a consensus. Yes, the fishing association is reluctant because a handful of fishermen - I think one - still uses the bay when there are storms outside, but you still need to negotiate that. It is not something that you can just impose on people, so this is how difficult it is. This is something that we absolutely want to do, but it takes time. Yes, it is a slightly higher energy bay, so there are the tides. Everybody knows about the tides in Jersey, so it is a very dynamic environment, but it does not mean that it is bare. To the contrary, it is extremely rich and protecting it will yield results, I am absolutely certain of that, and importantly, all the scientists that have studied it in the last 40 years are certain that there will be an immediate visible change and of course that change will be studied. I am sorry, all my notes are not in order, but we talked about policing. Angling, recreational fishing, is already extremely regulated. This is not the first regulation that we will put on to recreational fishermen. They have all sorts of regulation. There are seasons, there are areas, there are catch limits, there are minimum sizes, there are maximum sizes, bag limits, reporting requirements, so there is already a very large number of rules that anybody who wants to fish commercially or recreationally in Jersey has to follow and these are policed, these are already policed. They do not need to be very much because in the vast majority the Jersey public is respectful of the law, as they understand very well that they are all about maintaining a sustainable fishery, maintaining all of our environment so that 100 years from now people will still be able to carry out those activities, so it is in the interests of everybody to follow those rules. In the majority, they do. The minority that do not are policed and are caught by the Marine Resources Department, which is extremely efficient at doing so. Boats: that is an interesting one. The Environment Ministry has very little advice on the access to the bay by boats and other recreational vehicles. I am not sure in environmental terms that they have a very serious impact. However, what does, is anchoring. Laying anchor means that tens of metres of chain will scrape the bottom and that of course has a very, very strong impact on whatever is growing there, so seagrass will be extremely affected. It is something that the Ports of Jersey are looking at and they are looking at mooring solutions, so instead of allowing people to anchor, you would lay out a few permanent moorings that would be designed so that chains or ropes would not scrape the bottom. It is technically very difficult when you have 12 metres of tide, but it is something that is possible and that they are looking at and of course marine resources and all people interested in marine science are looking at. Losing lines: yes, that is an extremely serious problem, both for professionals and recreational fishermen. Anything you leave in the sea, especially if it is made of plastic, is going to stay there for decades or sometimes hundreds of years and will affect marine life, so trying not to lose anything or even discard anything in the water is absolutely paramount and we must be very, very careful with that. I think I have gone through all the questions. I would just like to repeat the fact that the area has been studied extensively over decades. This is why it has been chosen. It is because we do have a fantastic baseline of data on it, what it looked like 40 years ago, what sort of fishing took place over those 40 years, what it has looked like in the intervening years and what it looks like now, and of course if this is voted in, we will keep studying it and we will know very, very soon whether this has an effect. There is a theory which has already been ... I would not say proven, but which seems to have been confirmed in the U.K. that by protecting some areas you increase the catch enough in other areas by what we call spillover, that it makes fishing better than when the area was open. You have to choose the areas. Basically, you want nurseries so that marine life can expand unfettered naturally in some areas and they will naturally get out of it and expand as fish and other marine life grows. The catch in the surrounding of this area becomes so good that it nullifies the lack of catching in the area that you have just protected, so this has been demonstrated in the U.K. and this would be a way of demonstrating it in Jersey and would allow us in the coming years to protect more areas and ensure that we have sustainable fishing. With all this, I maintain the proposition.

The Bailiff:

I invite Members to return to their seats and ask the Greffier to open the voting. The vote is on the principles of this legislation. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The principles have been adopted.

POUR: 45		CONTRE: 1		ABSTAIN: 0
Senator I.J. Gorst		Connétable of St. Brelade		
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				

Deputy S.M. Ahier (H)			
Deputy J.H. Perchard (S)			
Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy K.G. Pamplin (S)			
Deputy I. Gardiner (H)			

The Bailiff:

Connétable, does your panel wish to call this in?

The Connétable of St. Brelade (Chair, Environment, Housing and Infrastructure Scrutiny Panel):

On the basis that a bit of minor amendment would make it a much better and policeable law, I think that is the case. I have discussed with the Greffier when it might come back for consideration by this Assembly and it would have to be the next sitting because of the election period, so in short, it would really be dealing with Regulation 1 and particularly Regulation 2 so that we do not criminalise young children taking shrimps from the beach, so yes.

The Bailiff:

So, the principles have been adopted, but your panel is calling it in for review to return it on the final sitting of the Assembly?

The Connétable of St. Brelade:

That is correct.

The Bailiff:

Very well.

5. Draft Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 202- (P.23/2022)

The Bailiff:

The next item is the Draft Limited Liability Companies (Winding Up and Dissolution) (Jersey) (Regulations) lodged by the Minister for External Relations and Financial Services. The main responder will be the chair of the Economic and International Affairs Scrutiny Panel. I ask the Greffier to read the citation.

The Greffier of the States:

Draft Limited Liability Companies (Winding Up and Dissolution) (Jersey) (Regulations) 202-. The States make these regulations under Article 60 of the Limited Liability Companies (Jersey) Law 2018.

5.1 Senator I.J. Gorst (The Minister for External Relations and Financial Services):

I wish to start with an apology to Members. They will see from the Order Paper that these items are interspersed with 2 other financial services items as well.

[11:00]

We can either take them all *en masse* or have a breather as we deal with other financial services issues through these propositions. I think probably we will leave the order as it is. There is a large number of amendments to the L.L.C. (limited liability company) legislation and for that I also offer my apologies. There are the main amendments; there is an amendment to the primary law and then of

course the amendments like the bringing into force as well. That is simply because of the administrative issues that we have faced and the consultation with industry and so it means that our job today is slightly more confusing, but there is nothing other than it being the result of administrative issues. Members will remind themselves that the Limited Liability Companies (Jersey) Law 2018 was approved in September of that year and was given Royal Assent in December of that year. That law provides the framework and what we are doing today is, I hope, approving the regulations which sit under it. The L.L.C. is a product and a structure which is well-known, understood and used in the United States of America and, as Members will know, the Jersey Finance Promotional Office in New York is seeing increasing flows of business using Jersey structures and using Jersey to invest throughout the rest of the world. There is of course changing standards in some areas in the Caribbean and it seems to me that the introduction of this particular vehicle will enhance the use of Jersey. That is important because it gives investors a jurisdiction which is well regulated, that understands that its reputation is important, that seeks to meet relevant international standards and therefore can give confidence to investors in the creation of an L.L.C. All of these regulations - and I say this now and not do it in the moving of the others - have gone through a comprehensive consultation process with industry, some of the reasons why it has taken so long, but just as importantly, with the Jersey Financial Services Commission. These particular first items deal with the winding up and dissolution of L.L.C.s in Jersey and they are based on the well-established principles and procedures established under Jersey company law. First they introduce the ability to wind up an L.L.C. after the expiry of a fixed period of time or the happenings of a specific event or alternatively of course by the court on a just and equitable ground; secondly, allowing for the winding up and dissolution of a solvent L.L.C.; thirdly, permitting the members of an L.L.C. to wind up and dissolve the L.L.C.; and finally, introducing offences related to processes and procedures. I commend the regulations to the Assembly.

The Bailiff:

Are the principles seconded? [**Seconded**] Does any Member wish to speak on the principles?

5.1.1 The Deputy of St. Martin:

I rise on behalf of my chairman and the rest of the Scrutiny Panel to say that over the recent months we have had numerous meetings with the Minister and his officers over the various propositions that we have in front of us coming up in the next few minutes. Not only has the Minister consulted with industry and the J.F.S.C. (Jersey Financial Services Commission), but I can say to Members that he has consulted extensively with Scrutiny as well and we have enjoyed a good rapport and been kept up-to-date at all times. I think it is important that we continue to promote ourselves around the globe and show that we have the best standards and we are heavily regulated. This winding-up amendment has been explained to us fully and we are very content with it.

5.1.2 Deputy G.P. Southern:

Just to mention what may happen with L.L.C.s in the Island where someone who is trading in the U.K. sets up a subsidiary in Jersey - let us call them Derek's Double Glazing - has premises, has a white van, conducts business as it sees fit. "As it sees fit" may mean spending every penny it has got and fleecing the company, the structure that is there so that it goes bankrupt intentionally, which leaves any employees or anyone involved in that company's dealings with no recourse to get any compensation, redundancy payment or whatever if that person has done a flip, they have gone, they are back in Hampshire, they are working out of Portsmouth because there is no company in Jersey that is liable because you cannot chase them. That is known to happen. I am not proposing any solution to it, but I am saying what can happen and does is that Jersey workers and Jersey investors can very easily ... because it is very easy to start trading in the Island and then after a length of time stop trading, leaving no resource to the workers or the investors as to how to chase any debts that may be outstanding. I say that only to say this can happen and does happen and I do not know how

we can be aware of it and how we could better deal with instances where that happens, but nonetheless just to point out that that can and does happen, that rogue companies find it very easy to trade in Jersey and then disappear, as it were, off the face of the earth and we cannot chase them down. It is a difficult situation certainly in some cases where workers have been left owing wages, holiday pay, redundancy and so on and no avenue to chase effectively to get anything from the company. As long as that person does not come back to the Island and stays away, he is safe.

The Bailiff:

Thank you very much. Does any other Member wish to speak on the principles? If no other Member wishes to speak on the principles then I close the debate and call upon the Minister to respond.

5.1.3 Senator I.J. Gorst:

First, I am grateful to the Deputy of St. Martin. He is right to say that they have been most helpful in challenging and scrutinising not just this particular regulation, but all of those which are before the Assembly from my department today and I am extremely grateful to them for that. In regard to Deputy Southern, I am not quite sure where to start because I am not sure an L.L.C. would be used in the way which the Deputy describes because these will be Jersey L.L.C.s. I think what the Deputy was describing was a non-Jersey company operating in Jersey and in his description then failing or going into bankruptcy and leaving any potential Jersey debts unpaid or Jersey employees. I would make a number of observations. There were some changes to the Control of Housing and Work Law which sought to extract a fee from some non-Jersey traders. That is not exactly the example that the Deputy outlined. That went some way to discouraging traders which might have been less than reputable. It is fair to say that members of the community should be extremely careful before signing up to work for foreign companies which are operating here without a Jersey presence, because without a Jersey presence it makes it much more difficult to have all of the recourses open to individuals that we would expect. We know, however, that if a Jersey individual is working and mainly resident in Jersey, they would have the recourse of the employment legislation open to them. I think the point that Deputy Southern was making in his example is that there may be nowhere to gather that recourse from because there is not a Jersey company from which to seek compensation or to seek redundancy payment. I stand here not being aware of those cases, but if the Deputy does have those cases and there is something that we can do other than an education programme, which I know from time to time the J.F.S.C. do and Jersey Business do as well, then I am prepared to look at that because it is something that Islanders need to go into with their eyes open because you cannot - or we, as a small country or a small nation state, cannot - legislate in this place extraterritorially. It is only places like the United States of America that seem to be able to get away with that sort of, shall we call it, antidemocratic activity. I do think that we would value a conversation, and if things that can be done then we will seek to do that, but as I say, that is not something which would take place under a Jersey-structured L.L.C., which is what we are dealing with today. I maintain the principles and call for the *appel*.

The Bailiff:

Thank you very much, Senator. The *appel* is called for. I invite Members to return to their seats. The vote is on the principles of P.23 and I ask the Greffier to open the voting and Members in Teams to vote in Teams. If Members have had the opportunity of casting their vote, I ask the Greffier to close the voting. The principles have been adopted.

POUR: 38		CONTRE: 0		ABSTAIN: 0
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				

Senator K.L. Moore				
Senator S.Y. Mézec				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

The Deputy of St. Mary, does your panel wish to call this in?

Deputy D. Johnson of St. Mary (Chair, Economic and International Affairs Scrutiny Panel):

No, we do not. Thank you.

The Bailiff:

How do you wish to deal with the matter in the Second Reading, Minister?

5.2 Senator I.J. Gorst:

If I can take the Articles *en bloc*. As I just said in my opening comments on the principles, I outlined what the Articles covered and I will endeavour to answer questions that Members may have. Thank you.

The Bailiff:

Are they seconded for the Second Reading? **[Seconded]** Does any Member wish to speak in the Second Reading? If no Member wishes to speak in the Second Reading, I close the debate and invite Members to return to their seats and ask the Greffier to open the voting.

[11:15]

The vote is on the regulations in the Second Reading. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The regulations have been adopted in the Second Reading.

POUR: 36		CONTRE: 0		ABSTAIN: 0
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.Y. Mézec				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R. Labey (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of Trinity				
Deputy of St. John				

Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy J.H. Perchard (S)			
Deputy C.S. Alves (H)			
Deputy K.G. Pamplin (S)			
Deputy I. Gardiner (H)			

Do you propose the matter in the Third Reading?

Senator I.J. Gorst:

If I may, thank you.

The Bailiff:

Is it seconded for the Third Reading? **[Seconded]** Does any Member wish to speak in the Third Reading? If no Member wishes to speak in the Third Reading then I close the debate and ask Members to return to their seats and the Greffier to open the voting. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The regulations are adopted in the Third Reading.

POUR: 37		CONTRE: 0		ABSTAIN: 0
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R. Labey (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				

Deputy L.B. Ash (C)			
Deputy K.F. Morel (L)			
Deputy G.C.U. Guida (L)			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy J.H. Perchard (S)			
Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy K.G. Pamplin (S)			
Deputy I. Gardiner (H)			

6. Draft Proceeds of Crime (Amendment No. 6) (Jersey) Law 202- (P.24/2022)

The Bailiff:

The next item of Public Business is the Draft Proceeds of Crime (Amendment No. 6) (Jersey) Law, P.24, lodged by the same Minister with the same principal respondent. I ask the Greffier to read the citation.

The Greffier of the States:

Draft Proceeds of Crime (Amendment No. 6) (Jersey) Law 202-. A law to amend the Proceeds of Crime (Jersey) Law 1999. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following law.

Senator I.J. Gorst (The Minister for External Relations and Financial Services):

This item will be taken by my Assistant Minister.

6.1 The Connétable of St. Ouen (Assistant Minister for External Relations and Financial Services - rapporteur)

I am sure States Members are well aware that we have a MONEYVAL inspection next year, as over the last few months we have already brought a number of propositions to the Assembly as part of our preparation for this assessment. This proposition represents another important building block for those preparations. The importance of a positive MONEYVAL assessment for the Island's continuing prosperity has been pointed out to this Assembly on many occasions and I apologise for repeating it again. In its last mutual evaluation report for Jersey, MONEYVAL concluded that scope exemptions from the Anti-Money Laundering and Countering Financing of Terrorism obligations apply to Jersey. We are not compatible with the F.A.T.F. (Financial Action Task Force) recommendations, which allow for such exemptions only where, in summary, there is a proven low risk of money laundering and terrorist financing. The issue we face is that no such data is currently available to the J.F.S.C. to demonstrate the actual level of Anti-Money Laundering and Countering Financing of Terrorism risks with regard to exempted businesses, exactly because those businesses are exempted, thus the J.F.S.C. and the Government published a joint consultation last year which outlined all the issues. As part of the consultation there were several engagements with the finance industry to gather feedback, which has then been incorporated into the current version of this proposition. The proposition looks to remove any existing exemptions while enabling the J.F.S.C. to gather relevant data going forward. There are over 100 individual exemptions, for example, special purpose vehicles serviced by trust company businesses or for companies acting as unitholding nominees, which are no longer in line with F.A.T.F. requirements. The removal of these exemptions

implies that those businesses will have to meet certain A.M.L.-C.F.T. (Anti-Money Laundering and Countering Financing of Terrorism) requirements, depending on their exact activity. However, the amendment will only come into force after a transitional period, providing the J.F.S.C. and the finance industry with enough time to prepare for any changes. Also new exemptions going forward will only come into force once all the A.M.L.-C.F.T. risks have been properly assessed and they are demonstrably low, in line with F.A.T.F. recommendations. Implementing a recommendation will remedy the issues outlined in the last MONEYVAL report and enable a better A.M.L.-C.F.T. risk understanding for currently exempted businesses. Overall, the proposed changes will provide better clarity to any international assessors, but also more certainty to the finance industry itself, which is why we ask States Members today for their support for the proposition. I make the proposition.

The Greffier of the States (in the Chair):

Thank you. Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles?

6.1.1 Deputy G.P. Southern:

I rise to speak because of one small phrase that the presenter issued, which was that what we are doing now is enacting the provisions that came out of the last MONEYVAL exercise. It seems to me just before a new MONEYVAL exercise arrives, we are last minute, it feels like, getting on with all the recommendations that the last investigation produced. It sounds like we are doing it at the last minute in order to comply and it seems like reluctantly is the word, reluctantly doing what we have been asked to do some years back. This seems to me not a particularly productive way of organising things. It seems to me that if we get a MONEYVAL which then makes recommendations that we start to get on with those recommendations straight away and we show that we are cleaner than clean and we are doing the right sort of thing, rather than wait for last minute and waiting for the next MONEYVAL exercise to make sure that we have got things in line technically, whereas we could have had those for years. We are still, it seems to me, consulting and researching on how we appropriately deal with those recommendations. It seems to me that, as the old schoolboy's report used to say: "Could do better." We could show that we are getting on with things and not waiting for the next MONEYVAL to say: "Come on, get on with it."

6.1.2 The Deputy of St. Martin:

On behalf of the Scrutiny Panel I am happy to follow Deputy Southern and assure him he is quite right in some ways. This is because we have got a MONEYVAL assessment coming up and we need to make changes, but he should be in no doubt that it is not a last-minute thing inasmuch as the department, the Minister, has not started consulting in the last 2 or 3 days or 2 or 3 weeks or even 2 or 3 months. This has been going on for some time, and I am sure other Ministers will respond as well, but there is no doubt the Scrutiny Panel are aware that data is vital and it is important to collect data so that we can show MONEYVAL that we are making progress. Exemptions have been reached after some consultation backwards and forwards and changes have been made. It is very clear to the industry now what is exempt and what is not, and the Scrutiny Panel are happy that it is a good way forward.

6.1.3 Senator I.J. Gorst:

Of course we can always do better in anything that we do. We can always say to ourselves: "Well, if only I had done a little bit better" but maybe that is just me. That is how I approach life; I always think I could have done something better. On the surface therefore Deputy Southern might have a legitimate point. I think the mitigation for why we find ourselves where we are today of course is that the implementation and what the reviewers will look for in regards to the actions that we have taken in regard to ensuring that we are compliant with the F.A.T.F. standards that MONEYVAL come and do the review for is the implementation and how we respond to that changes over time, so

there is a recommendation that the exemptions needed to be looked at from the previous review, but how we deal with exemptions and what should or should not be in and what should be able to comply with various other standards and what is low risk and therefore does not need to, that changes as reviewers go to other jurisdictions and more evidence is gathered and more consideration is given to various approaches. So, there are some elements of preparation for the MONEYVAL visit that we have been able to do quickly and in a timely way, as the Deputy is saying we should do, and there were others that take more time because of that evolving nature of how they should be best implemented and what best practice is today and what the reviewers will be looking for today. Then you have got others as well, which you take that and on top of it you have got the need to consult more widely and understand better in Government what is happening and what risk assessments are taking place and how industry is currently performing. We do that of course with the J.F.S.C. as well. We knew that the exemptions piece of work would be challenging and there will be further work that needs to be done on that. At the next States sitting we will be bringing forward changes - I think we have lodged them - to the N.P.O. (Non-Profit Organisations) regime. That will be challenging as well and we have also got the failure to prevent changes as well. It is not that we have sat on our hands doing nothing, it is that the overarching approach to the standard changes and evolves, and we need to make sure that we, ultimately when the reviewers come, are in the best possible place.

6.1.4 Deputy M.R. Higgins of St. Helier:

I would like the Minister to explain in regard to trust companies whether he feels these new regulations which are being adopted will cover what appears to be a defect in the sanctions legislation, which appears to allow Russian oligarchs to be able to hide their assets and to still control them. I know we have had statements by Senator Gorst and others, but recently a concern has been expressed in the U.K. and elsewhere regarding the use of trusts to evade sanctions, so can the Assistant Minister please elaborate on this point in regard to this legislation?

The Greffier of the States (in the Chair):

Does any other Member wish to speak on the principles? If not, I will call on the Assistant Minister to respond.

6.1.5 The Connétable of St. Ouen:

I thank everyone who has contributed to this debate. First picking up on Deputy Southern's point, I think the Minister probably answered the question that was raised on that issue, but I would just like re-emphasise that work on these exemptions started in 2019, and just to remind the Deputy that there are over 100 of them and it has required extensive consultation, not just with the industry, but with Scrutiny and with the regulatory bodies and it has taken some while and a number of years to get this project to this stage, which is why we are bringing it to the Assembly today. I thank the Deputy of St. Martin for his comments and I think it just reflects what I have just said, and also my Minister for his comments. In relation to Deputy Higgins, what I would say is that there is no way that a Russian oligarch can hide assets in Jersey. Russia is rated high as a F.A.T.F. country and, therefore, any oligarch who comes to Jersey is immediately a P.E.P. (politically exposed person) and subject to the very highest level of rigour in terms of the source of funds, the source of wealth and what that particular individual does with those assets. So it is not possible simply for a Russian to come to Jersey and use Jersey's structure to hide his or her assets without either us or the regulator knowing about it. I cannot comment on what has happened in the U.K. but I am aware that their regime is a similar regime, but it is simply not possible for that to happen in Jersey. Our regime is far too robust and far too well-regulated for that sort of activity to take place. I think I have probably covered all the comments, so with that ... I will give way to the Deputy.

The Greffier of the States (in the Chair):

Deputy Southern, do you wish to seek a point of clarification?

Deputy G.P. Southern:

I think it is a sort of clarification. We fall all too easily into the use of acronyms left, right and centre when we assume that people will know what we are talking about.

[11:30]

I just about followed that because of the number of acronyms in there, but I was not sure that everybody would understand what we are talking about because of the free and easy use of acronyms, and we must bear that in mind.

The Greffier of the States (in the Chair):

Could you clarify your acronyms as I think the ...?

The Connétable of St. Ouen:

Could I just ask the Deputy which particular acronyms he would like me to clarify?

The Greffier of the States (in the Chair):

I think all of them.

The Connétable of St. Ouen:

I am sorry but without going back to Hansard I cannot remember which ones I used.

Deputy K.F. Morel:

Sir, if I may, P.E.P. was one of them.

The Connétable of St. Ouen:

Sorry, P.E.P. is a politically exposed person. Are there any others that Members would like me to clarify?

The Greffier of the States (in the Chair):

P.E.P. was the one that stood out to me.

The Connétable of St. Ouen:

Yes, politically exposed person. It is a term defined in Jersey regulations.

The Greffier of the States (in the Chair):

Thank you. Sorry, Deputy.

Deputy G.P. Southern:

In principle, there is no reason why you should not, as you used the P.E.P., say what it means as you present, or as anybody presents.

The Greffier of the States (in the Chair):

Thank you. It is not really a point of clarification but a point of advice maybe.

The Connétable of St. Ouen:

No, I do appreciate what the Deputy is saying and if I have confused him or misled him I apologise. With that, Sir, I make the proposition.

The Greffier of the States (in the Chair):

Thank you. We now move to the vote on the principles. If Members could return to their seats, I ask the Greffier to open the voting and Members online to use the chat. If Members have had the opportunity to cast their votes, I ask the Greffier to close the voting. The principles have been adopted.

POUR: 41		CONTRE: 0		ABSTAIN: 0
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R. Labey (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				

Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy K.G. Pamplin (S)			
Deputy I. Gardiner (H)			

Deputy of St. Martin, does your panel wish to call this in?

The Deputy of St. Martin (Economic and International Affairs Scrutiny Panel):

No, thank you, Sir.

The Greffier of the States (in the Chair):

Thank you very much. How do you wish to deal with the Articles in Second Reading?

6.2 The Connétable of St. Ouen:

With the Assembly's indulgence, I would like to take them *en bloc* if possible.

The Greffier of the States (in the Chair):

There are only 2, so that is fine. Are the Articles seconded? **[Seconded]** Does any Member wish to speak to the Articles?

6.2.1 Deputy G.P. Southern:

I raise a question on the regulations because while we seem to have dealt with exempt activities as being a proven low risk, that is a circular argument, it sounds to me. They are exempt companies, therefore, they are proven low risk when in fact they are deemed - a lovely Jersey word - to be low risk. I just wondered what solution is in there which makes it easier or doable at all that these activities should be described as proven low risk, apart from the fact that they were categorised as exempt. What now are we doing to solve the problem of exempt companies being deemed to be low risk? Have we got any answers? How do you prove low risk?

The Greffier of the States (in the Chair):

Does any other Member wish to speak on the Articles? If no other Member wishes to speak, I call on the Assistant Minister.

6.2.2 The Connétable of St. Ouen:

In answer to the Deputy's question, one needs to perhaps take a bit of a step back. Risk is a clearly and very closely defined metric in financial services companies and it is graduated from low to high. That is based on the range of activities and the range of risk to the business concerned. What this is doing in effect is resetting those risk parameters so that they have to demonstrate once again that the activities that they are undertaking are low, i.e. there is a very low risk of money laundering, there is very low risk of terrorist financing, and they use a number of methodologies to do that, including detailed risk assessments. Essentially, what is happening here is we are resetting those metrics so that to demonstrate that you are running a low-risk structure or a low-risk piece of business you have to demonstrate that the risk is low through a paper-based or computer-based exercise. I am not sure whether that answers the Deputy's question - looking at the expression on his face, probably not - but that is probably the best I can do without going into a lot more detail. With that, I move the regulations.

The Greffier of the States (in the Chair):

Thank you. Those Members in favour of the Articles kindly show. Those against? The Articles have been adopted. Do you want to deal with the matter in Third Reading, Assistant Minister?

The Connétable of St. Ouen:

Sorry, Sir, yes, please. I think it must be my hearing because nobody else seems to be having trouble hearing you today. Yes, please, I propose the matter in Third Reading.

The Greffier of the States (in the Chair):

Is the draft law seconded in Third Reading? **[Seconded]** Thank you very much. Does any Member wish to speak on Third Reading? If not, those Members in favour on Third Reading kindly show. Those against? The draft law has been adopted in Third Reading.

7. Draft Limited Liability Companies (Amendment No. 2) (Jersey) Law 202- (P.30/2022)

The Bailiff:

The next item of public business is the Draft Limited Liability Companies (Amendment No. 2) (Jersey) Law, P.30, lodged by the Minister for External Relations and Financial Services, with the same responder, and I ask the Greffier to read the citation.

The Greffier of the States:

Draft Limited Liability Companies (Amendment No. 2) (Jersey) Law 202-. A law to amend the Limited Liability Companies (Jersey) Law 2018. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following law.

7.1 Senator I.J. Gorst (The Minister for External Relations and Financial Services):

Even I was about to speak to the next amendment rather than this one, so we will move back to P.30. This amendment proposes amendments to the Limited Liability Companies (Jersey) Law 2018. It is intended to ensure that when brought into force the Jersey limited liability company is an attractive vehicle and will work effectively within Jersey's respective regulatory framework. In a nutshell, what it does is amend the legislation to allow in future - it will need further regulation - incorporated versions of the L.L.C. Currently, as drafted, it allows only unincorporated versions. This will in future now allow for both, which will make it more attractive, and the incorporated version is one which perhaps is better known and better used elsewhere.

The Bailiff:

Thank you very much, Senator. Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles?

7.1.1 Deputy G.P. Southern:

This is a wonderful opportunity to explore the use of the word "attractive" in terms of financial law. So, if the rapporteur would bear with me, I would like a description of how an unincorporated or incorporated company was made more attractive. What is the technical thing that supplies the attraction of one or the other? What technically is happening that one should be better, more attractive than another? It is a moot point but I think it is more than just philosophical.

7.1.2 Deputy K.F. Morel:

I was thinking before Deputy Southern spoke that the report makes no actual mention of what that means, to become a body corporate, how is a limited liability company ... not what does it mean to not be an incorporated limited liability company, but what does it mean to be an incorporated limited liability company? I believe the Assembly may benefit from the analysis.

The Bailiff:

Does any other Member wish to speak on the principles? If no other Member wishes to speak on the principles, then I close the debate and call upon the Minister to respond.

Senator I.J. Gorst:

I just think that the legal question that Deputy Morel has asked might be best addressed by the Solicitor General. I do not want to tread on his toes. But if I just give the Solicitor General a moment and I will do my ... or shall I just ask that as a question, Sir?

The Bailiff:

I think if you ask that as a question, that way if there are supplemental questions Members can ask it before you do your summing up.

Senator I.J. Gorst:

Thank you, Sir, I will do that, then.

The Bailiff:

Mr. Solicitor, are you able to assist?

Mr. M. Jowitt, H.M. Solicitor General:

With the caveat that I am no commercial lawyer, I will venture this advice. Incorporation is a legal process by which the corporate entity - for example, a company - can separate out its assets and its income from those who own the corporate structure. So a company is a classic example where you have shareholders. The company owns its own property. It is a separate legal entity. Its property is not the same as the shareholders' shares. The way this law is framed at the moment is slightly different in that the model that it sets out without this amendment is that those who are members of the L.L.C., which is they are members by virtue of an agreement they all sign up to, they are, in fact, in law the owners of the limited liability company's assets. So that is the distinction. An incorporated entity, the members of the incorporated entity do not own the assets. In a limited liability company as it is proposed at the moment, the members of the company do own the assets.

Deputy G.P. Southern:

If I may, although I doubt that it is a legal question, how does that relate to the attractiveness of a company?

The Bailiff:

Well, I think that would be a political question and I am sure the Senator was about to answer it anyway. Are there further questions for the Solicitor General?

Deputy K.F. Morel:

For the Solicitor General, yes: is there another element of the distinction in that an incorporated limited liability company can act in its own right in terms of pursuing legal action and things like this, whereas an unincorporated limited liability company it would be the members doing that?

The Solicitor General:

No, I am not sure that is right. Whenever you have an entity which is a legal person, whether that is a limited liability company or it is an incorporated company, that legal person is able to sue and be sued in its own capacity.

The Bailiff:

If there are no other questions for the Solicitor General, then the debate is closed and ...

Deputy J.H. Young

Yes, Sir, please.

The Bailiff:

I am sorry? Oh, yes, Deputy Young.

Deputy J.H. Young:

I am grateful for the Solicitor General because I have been grappling with this question, too. Would I be right in thinking at the moment limited companies are a legal person? Also, if this regulation goes through and we create corporate companies, would the Solicitor General give us a basic guidance of what happens in the event of liquidation of that company with the assets? It might go bust, for example. There obviously would be a difference, I think, potentially, but I would like a bit more on that if I may.

The Bailiff:

Are you able to assist, Mr. Solicitor, on either parts of those questions?

The Solicitor General:

I can certainly assist with the first. The second one I suspect is a very complicated question to do with insolvency law. A limited company is a legal person, as would a limited liability company be a legal person. In terms of the difference in insolvency, where a limited liability company becomes insolvent and a company becomes insolvent, the answer to that lies, I think, in the legislation that was adopted earlier this morning, which sets out what will happen if a limited liability company becomes insolvent. I am just trying to find back in my folder ... yes, the winding up, limited liability ... forgive me, Draft Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations. The effect of that is to apply to limited liability companies very much the same winding up and insolvency procedures that presently apply to limited companies and also to apply to them the same procedures that exist under the bankruptcy *en désastre* law. So the short answer to the second question is that by virtue of what has been enacted this morning, the same insolvency rules will apply to a limited liability company as apply presently to normal limited companies.

The Bailiff:

Thank you very much, Mr. Solicitor. As there are no other questions for the Solicitor General, the debate is closed and I call upon the Minister to respond.

[11:45]

7.1.3 Senator I.J. Gorst:

I am grateful to the Solicitor General answering Deputy Morel's question, which is a straightforward question that as we now realise can have some complexities in its answering thereof. In terms of attractive, the ability now with this amendment to have incorporated versions of an L.L.C. is it is more attractive because it is better known elsewhere. So what we are seeing, as I said, as a result of the creation of the office in New York is customers who are used to using L.L.C.s and already translating other instruments that we have available here are moving some of their structures from other jurisdictions and they are seeking to use an L.L.C. where they are currently using an incorporated L.L.C. and wish to in the fullness of time then be able to transfer that here once these are fully operational. It makes it more attractive because it is better known and already used elsewhere. Then we come back to that question of these can be used as a private arrangement, therefore unincorporated, or an incorporated more commercial version as the Solicitor General has just outlined to us. But the requirements of both versions, they will still need to meet the requirements of the other pieces of regulation that we have either just approved or will be, hopefully, approving later in this sitting. So, I see the Deputy wishes me to give way to him.

Deputy G.P. Southern:

Thank you and I do apologise. When I get in these moods I just want to dig down, dig down, dig down.

The Bailiff:

Is this a point of clarification?

Deputy G.P. Southern:

It is a point of clarification, yes, Sir. Could the Minister clarify for me technically what the difference is between a limited liability company and a limited company? Because I certainly heard the Solicitor General make that distinction.

Deputy K.F. Morel:

Sir, I believe somebody is looking at you for help.

Senator I.J. Gorst:

No, I am not, I am simply ...

The Bailiff:

I just wish I had been listening.

Senator I.J. Gorst:

... catching your eye, Sir, because, of course, I can give a political answer but it is a legal question that the Deputy has just asked for the differences between ... and there are differences between a limited company and what we are creating here in bringing forward these regulations and bringing them into force, a limited liability company. I could reference back to my industry knowledge and all of my professional exams but I think it is far better to use the person in this Assembly who we should be using to answer such legal questions.

The Bailiff:

I agree with that, Senator. There is only one person who can give legal advice in the Assembly and that is, indeed, the Solicitor General.

Deputy G.P. Southern:

As do I agree.

The Solicitor General:

Yes, I will do my best. A limited company is a company that is owned by its shareholders, who own the shares. It is governed by a board which is comprised of directors. It is a legal person in its own right. The property of the company is not property of the shareholders. A limited liability company, as it is presently put in the law, is different in this way. It is not owned by shareholders. It is owned by its members, who are members by virtue of an agreement, so rather like a partnership. Its members are taken to be the owners of its assets, which is a material difference for tax purposes. Yesterday I think the Assembly adopted the tax aspect of this, which enables the Comptroller of Tax to require limited liability companies to furnish the details of all those who are members of it by virtue of being parties to the agreement so that they can be taxed individually on what they own through the limited liability company. So those are the key differences. A limited company is owned by its shareholders but its shareholders do not own the company's assets. A limited liability company is not owned by shareholders; it has members by virtue of a limited liability company agreement.

The Bailiff:

Does that assist as necessary? All right. Does anyone else have any other questions for the Solicitor General before we let the Minister conclude?

Deputy M.R. Higgins:

Yes, Sir. I am in the chat. Can the Solicitor General just confirm then? So, we are saying that the assets are owned by the individuals who are part of the agreement, but in the event of the company failing, if it is a limited liability company then they will not be liable for any further debts if the company goes bust. In other words, as with a limited company, if the company goes bust there is no liability on the shareholders and in this case here the limited liability applies to all those assets which those people put in. So, they have the advantage of owning the assets but having no liability in the event of it failing for any further calls on the company. Is that correct?

The Solicitor General:

I am not sure that is correct. For tax purposes, the members of a limited liability company are to account to the comptroller for such assets as are deemed to be theirs by virtue of the limited liability company’s agreement, but that is different from the separate legal person that is the limited liability company itself being put into insolvency proceedings because it will continue to have and own property for which it can account. Whether or not in the course of those proceedings there is, by virtue, of an agreement a recourse to its members to account to the limited liability company for debts is a matter, it seems to me, that would be likely to be incorporated into any agreement. But I have made the point and I repeat it: earlier this morning the Assembly adopted the Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations, which among other things brings limited liability companies within the purview of our existing insolvency and bankruptcy procedures.

The Bailiff:

Does any other Member have any questions for the Solicitor General on this matter? Then we will draw a line under any further questioning and I invite the Minister to conclude his summing up.

Senator I.J. Gorst:

I thank the Solicitor General for saying in far fewer words and answering far more succinctly than I would have done with my political answer. I commend the principles - I think we are on still - to the Assembly.

The Bailiff:

Yes, we are still on the principles, surprising as it may seem, Minister. I invite Members to return to their seats. The vote is on the principles and I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The principles have been adopted.

POUR: 39		CONTRE: 1		ABSTAIN: 0
Senator I.J. Gorst		Deputy M.R. Higgins (H)		
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				

Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

Deputy M.R. Higgins:

Can we have the one, please, Sir?

The Greffier of the States:

It was Deputy Higgins. [Laughter]

Deputy M.R. Higgins:

I just wanted to make clear so that people understood what my vote was. Thank you.

The Bailiff:

Yes, there we are. Thank you. Assuming, Deputy of St. Martin, that your panel does not want to call the matter in?

The Deputy of St. Martin (Economic and International Affairs Scrutiny Panel):

No, thank you, Sir.

The Bailiff:

How do you wish to deal with the Articles in Second Reading, Minister?

7.2 Senator I.J. Gorst:

En bloc if I may, Sir, and I shall endeavour to pass any legal questions that Members may have to the Solicitor General and I will endeavour to answer others.

The Bailiff:

Are the Articles seconded for Second Reading? **[Seconded]** Does any Member wish to speak in Second Reading? If no Member wishes to speak in Second Reading, then I close the debate. I invite Members to return to their seats and I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The Articles have been adopted in Second Reading.

POUR: 39		CONTRE: 1		ABSTAIN: 0
Senator I.J. Gorst		Deputy M.R. Higgins (H)		
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				

Deputy G.C.U. Guida (L)			
Deputy of St. Peter			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy J.H. Perchard (S)			
Deputy R.J. Ward (H)			
Deputy C.S. Alves (H)			
Deputy K.G. Pamplin (S)			
Deputy I. Gardiner (H)			

The Greffier of the States:

Deputy Higgins voted contre.

The Bailiff:

Do you wish to deal with the matter in Third Reading, Minister?

Senator I.J. Gorst:

If I may, Sir, thank you.

The Bailiff:

Are they seconded for Third Reading? [**Seconded**] Does any Member wish to speak in Third Reading? If no Member wishes to speak in Third Reading, then I close the debate. I invite Members to return to their seats and ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The law has been adopted in Third Reading.

POUR: 38	CONTRE: 1	ABSTAIN: 0
Senator I.J. Gorst	Deputy M.R. Higgins (H)	
Senator L.J. Farnham		
Senator S.C. Ferguson		
Senator T.A. Vallois		
Senator S.W. Pallett		
Senator S.Y. Mézec		
Connétable of St. Helier		
Connétable of St. Lawrence		
Connétable of St. Saviour		
Connétable of Grouville		
Connétable of Trinity		
Connétable of St. Peter		
Connétable of St. Mary		
Connétable of St. Ouen		
Connétable of St. John		
Connétable of St. Clement		
Deputy J.A. Martin (H)		

Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

8. Draft Limited Liability Companies (General Provisions) (Jersey) Regulations 202-(P.31/2022)

The next item of Public Business is the Draft Limited Liability Companies (General Provisions) (Jersey) Regulations, P.31, lodged by the same Minister and with the same responder. I ask the Greffier to read the citation.

The Greffier of the States:

Draft Limited Liability Companies (General Provisions) (Jersey) Regulations 202-. The States make these regulations under Article 60 of the Limited Liability Companies (Jersey) Law 2018.

8.1 Senator I.J. Gorst (The Minister for External Relations and Financial Services):

We come to the next piece of legislation relating to limited liability companies and this is the framework of secondary legislation. As I have already said, we have engaged in a comprehensive consultation process. These draft regulations replicate provisions that already exist for companies and apply them to L.L.C.s. The draft regulations introduce the following key provisions: specifying the accounting and audit requirements of L.L.C.s and offences for failure to comply; introducing prospectus requirements, which will allow L.L.C.s to seek investment and specifying the information to be included in a prospectus; introducing procedures and requirements for a takeover of an L.L.C.; allowing for mergers and demergers of L.L.C.s with other L.L.C.s and specified vehicles; providing for the continuance in and out of the jurisdiction of L.L.C.s and applying economic substance provision to L.L.C.s to ensure the jurisdiction continues to meet its international obligations. These regulations will ensure that L.L.C.s can be properly used and marketed while ensuring that they operate within the appropriate and well-respected regulatory environment that Jersey offers.

The Bailiff:

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles?

[12:00]

8.1.1 Deputy G.P. Southern:

Just briefly, as part of a list the Minister went through a number of mergers and demergers and different things that can happen, added to which one might throw in a couple of trusts or charitable organisations and one arrives at a near impenetrable miasma around who owns what around these structures. It is a perfect recipe for hiding money, whether it be Russian or otherwise. Does the Minister not consider that to be the case?

The Bailiff:

Does any other Member wish to speak in First Reading? If no other Member wishes to speak in First Reading, then I close the debate and call upon the Minister to respond.

Deputy M.R. Higgins:

Sir, I was in the chat.

The Bailiff:

I am sorry, it did not appear on my screen. Oh, now it has. I apologise, Deputy. Well, had you indicated a desire to speak before I closed the debate?

Deputy M.R. Higgins:

Yes, Sir, I had.

The Bailiff:

Very well, then Deputy Higgins.

8.1.2 Deputy M.R. Higgins:

I think this law and the previous one is showing the deficiencies of the States Assembly in its ability to vet law. In the previous one, we heard from the Solicitor General, who himself is not a specialist in commercial law, trying to do his best to explain these structures to us. Again, we have all been exceptionally busy over the last few weeks with the Island Plan and lots of other things and we have not scrutinised this law I think as well as we should have done. I think it is dangerous for us to be passing laws that we do not fully understand. That is why I shall be voting against this one in the same way I voted against the other. I think it is a very bad principle and we have no idea what can of worms we are opening up for the future.

8.1.3 Deputy K.F. Morel:

It is really in response to Deputy Higgins. I appreciate we have had a very busy schedule these last few weeks, but we do have Scrutiny Panels. I know certainly when I chaired the Economic and International Affairs Scrutiny Panel we vetted these laws, we scrutinised these laws properly. I have absolutely no reason to believe that under Deputy Johnson anything has changed in that respect. So, the Scrutiny Panel has told us that they have scrutinised this law and the Scrutiny Panel is telling us that they are satisfied with this law. **[Approbation]** That is the way the Assembly is meant to work.

The Bailiff:

Does any other Member wish to speak in First Reading? If no other Member wishes to speak in First Reading, then I close the debate and call upon the Minister to respond.

8.1.4 Senator I.J. Gorst:

I am grateful to Deputy Morel for his comments. Maybe I would be a little bit more forceful. Not that I have enjoyed it, but I have squirmed before the Scrutiny Panel, as is appropriate for Ministers to expect to do. The Scrutiny Panel is now chaired by a lawyer by profession. They have had myself, a plethora of officials, supported by legal advice, to look at these laws in detail. That is the way our system works. Of course, on top of that, individual Members can dig into the detail of legislation and raise points of contention, as Deputy Southern and others have done this morning. So, I do not accept the observation that Deputy Higgins has made. Rather, I congratulate the Scrutiny Panel for the work that they have done and the challenge that they have provided in doing their work. Let us be clear. The system of government that we have does only work while Scrutiny does and carries out its functions appropriately. I joked about squirming, but the reality is Ministers should feel the pressure of intense questioning. It should be uncomfortable for Ministers to appear before Scrutiny Panels and Ministers and their officials should be held to account by the Scrutiny function. I am grateful that in the previous chair - and we did not always see eye to eye - and the current chair they have done exactly that. I think that this Assembly can have confidence in them to fulfil their obligations to the public, and they have done so. I return to Deputy Southern. He knows that I am not going to accept the premise of his question, but I shall take a leaf out of the Solicitor General's book and rather than give a long, rambling, tub-thumping political answer, I will simply say to him that the beneficial ownership requirements under disclosure and information law applies to these instruments as well. With that, I maintain the Articles ... are we principles?

The Bailiff:

We are still in First Reading.

Senator I.J. Gorst:

I do apologise, Sir, I am getting ahead of myself, the principles.

The Bailiff:

Very well, I invite Members ...

Deputy G.P. Southern:

What a shame, Sir, I missed the tub-thumping.

The Bailiff:

I invite Members to return to their seats and I ask the Greffier to open the voting. The vote is on the principles of P.31. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The principles have been adopted.

POUR: 40		CONTRE: 2		ABSTAIN: 0
Senator I.J. Gorst		Deputy G.P. Southern (H)		
Senator S.C. Ferguson		Deputy M.R. Higgins (H)		
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				

Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

Very well, presumably, Deputy of St. Martin, does your panel wish to call the matter in?

The Deputy of St. Martin (Economic and International Affairs Scrutiny Panel):

No, thank you, Sir.

Deputy M.R. Higgins:

Could I ask for the 2, please? I would like to know who joined me.

The Greffier of the States:

It was Deputy Higgins and Deputy Southern.

The Bailiff:

How do you wish to propose the regulations in Second Reading, Minister?

8.2 Senator I.J. Gorst:

En bloc, and I will endeavour to speak to them briefly. They are detailed regulations, after all. So, part 1, Regulations 1 to 5, addresses administrative issues, interpretation and definitions, specifies who may and may not be a member or a manager of an L.L.C., ensuring that their appropriate safeguards are in place to prevent misuse. They also permit the Minister, the J.F.S.C. or the Attorney General to apply to court for an order that a person should not be a manager of an L.L.C. Regulation 5 specifies the personal liability of a person who acts in contravention of such an order made by the court. Part 2 covers accounts and audit in Regulations 6 to 27. Part 3 deals with prospectuses in Regulation 28 to 35, and part 4 relates to structuring and restructuring of L.L.C.s. Again, as we said earlier, these provisions are replicated based on well-established existing powers and procedures under Jersey company law. Regulations 36 to 44 make provisions in relation to takeovers. Regulations 45 to 47 introduce correspondent provisions to part 18A of the Companies Law and addresses arrangements. Regulations 48 to 68 and 69 to 84 replicate with appropriate amendments to reflect the nature of an L.L.C., the Companies Law and Companies Demerger Regulations. Part 8 deals with continuance issues and part 9 deals with economic substance requirements. Part 10 deals with investigations. The schedule we will take *en bloc* as well.

The Bailiff:

Are the Articles seconded for Second Reading? [**Seconded**] Does any Member wish to speak in Second Reading?

8.2.1 Deputy G.P. Southern:

Just to say that the beneficial ownership issues that the Minister referred to in his opening remarks remains a secret. While it is known among a limited number it is not made public. Beneficial ownership is where we need to know who owns what because of tax purposes.

The Bailiff:

Does any other Member wish to speak in Second Reading? If no other Member wishes to speak in Second Reading, then I close the debate and call upon the Minister to respond.

8.2.2 Senator I.J. Gorst:

The point that Deputy Southern makes is not directly relevant to this piece of legislation. He is aware of how Jersey deals with a register of beneficial ownership information and the work that the J.F.S.C. do in their registry arm. He is also aware of the commitment that both Jersey, Guernsey and the Isle of Man gave about a move from the regulated, vetted, verified and confidential register that we have had in Jersey for over 20 years, far longer than elsewhere in the world who have been catching us up, the commitment that we have made following the changes in the European Union and their review of those changes, driven by the E.U. (European Union) directive on anti-money laundering - I will try and stay away from simply reciting letters - versions 4 and 5 and the requirements there to have public registers. He is aware of those commitments as well. I simply leave it there and maintain the Articles in Second Reading.

The Bailiff:

Thank you very much, Minister. I invite Members to return to their seats. The vote is on the Articles in Second Reading and I ask the Greffier to open the voting. The Articles include the schedule at the end. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The Articles have been adopted in Second Reading.

POUR: 40		CONTRE: 2		ABSTAIN: 0
Senator I.J. Gorst		Deputy G.P. Southern (H)		
Senator L.J. Farnham		Deputy M.R. Higgins (H)		

Senator S.C. Ferguson				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

Do you propose the matter in Third Reading, Minister?

8.3 Senator I.J. Gorst:

Indeed I do, Sir, thank you.

The Bailiff:

Is the matter seconded for Third Reading? **[Seconded]** Does any Member wish to speak in Third Reading?

8.3.1 Deputy G.P. Southern:

Yes, just briefly to reflect on the fact that we are moving ever so slowly towards changes in the publication of initial ownership, this is a reflection, as I mentioned earlier, of the slow pace in which we adjust to various regulations only at the last minute and not in good time so that we are shown to be actually leading the way rather than dragging our heels.

The Bailiff:

Does any other Member wish to speak in Third Reading? If no other Member wishes to speak in Third Reading then I close the debate and call upon the Minister to respond.

8.3.2 Senator I.J. Gorst:

I do commend this legislation to the Assembly in Third Reading. I can respond to Deputy Southern’s question, which is of course, as I said earlier, unrelated to this Third Reading. He is not correct to say that we are laggards. This is not an international standard to have a public register. In fact the latest requirements coming out of F.A.T.F. are not at this point suggesting that a public register is the best way of dealing with fighting anti-money laundering and the countering of the financing of terrorism.

[12:15]

There are many good arguments around the approach that Jersey currently takes is a leading approach, notwithstanding that we, as good neighbours to the European Union and the United Kingdom, recognise as I have said that this is an evolving regional standard, let us just call it that rather than an international standard, and we have made our commitment to comply with that evolving regional standard and we have set out staging posts along the way. Some of those staging posts are action that have to be taken by other jurisdictions, not least of which is the European Union. They are the ones who have not taken the action in regard to publication of implementation reports which had expected and had said would be established by now and they are not. We are expecting that to happen in May of this year and we will continue with our progress. But coming back to the point, if I may, and I thank you for your indulgence, I maintain the law in Third Reading.

The Bailiff:

I invite Members to return to their seats and I ask the Greffier to open the voting. The vote is the regulations in Third Reading. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The regulations have been adopted in Third Reading.

POUR: 40		CONTRE: 2		ABSTAIN: 0
Senator I.J. Gorst		Deputy G.P. Southern (H)		
Senator L.J. Farnham		Deputy M.R. Higgins (H)		
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				

Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy S.M. Wickenden (H)				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

Senator I.J. Gorst:

I had thought that Members might at this point wish a change of subject but it seems to me that we have covered this in such detail that perhaps they might prefer the opposite and to deal with P.33 and 34, which are consequential amendments and the bringing into force Act, and then move on to the other subject.

The Bailiff:

If this follows logically on. So you propose that, Minister?

Senator I.J. Gorst:

I do. The intervening item is my own item anyway.

The Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak? I will take that on a standing vote. Those in favour kindly show. Those against? Very well, yes, thank you very much.

9. Draft Limited Liability Companies (Consequential Amendments) (Jersey) Regulations 202- (P.33/2022)

The Bailiff:

If we move then to the next item, Draft Limited Liability Companies (Consequential Amendments) (Jersey) Regulations, lodged by the same Minister and with the same responder. I ask the Greffier to read the citation.

The Greffier of the States:

Draft Limited Liability Companies (Consequential Amendments) (Jersey) Regulations 202-. The States make these regulations under Article 60(2)(k) of the Limited Liability Companies (Jersey) Law 2018.

9.1 Senator I.J. Gorst (The Minister for External Relations and Financial Services):

Often these sort of consequential amendments are just tacked on to the end of other regulations for various administrative reasons. As I said at the start, we were not able to do that and therefore these are consequential amendments to other pieces of legislation to ensure that L.L.C.s come within their ambit. I propose the principles.

The Bailiff:

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles? If no Member wishes to speak on the principles then I close the debate and invite Members to return to their seats. The vote is on the principles and I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The principles have been adopted.

POUR: 37		CONTRE: 1		ABSTAIN: 0
Senator I.J. Gorst		Deputy M.R. Higgins (H)		
Senator L.J. Farnham				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				

Deputy G.P. Southern (H)			
Deputy K.C. Lewis (S)			
Deputy M. Tadier (B)			
Deputy J.M. Maçon (S)			
Deputy S.J. Pinel (C)			
Deputy of St. Martin			
Deputy of St. Ouen			
Deputy G.J. Truscott (B)			
Deputy L.B. Ash (C)			
Deputy K.F. Morel (L)			
Deputy G.C.U. Guida (L)			
Deputy of St. Peter			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy J.H. Perchard (S)			
Deputy C.S. Alves (H)			
Deputy K.G. Pamplin (S)			

Does your Scrutiny Panel wish to call the matter in?

The Deputy of St. Martin (Economic and International Affairs Scrutiny Panel):

No, thank you.

The Bailiff:

How do you wish to deal with it in Second Reading, Minister?

Senator I.J. Gorst:

En bloc, if I may.

The Bailiff:

Are the regulations seconded in Second Reading? [**Seconded**] Does any Member wish to speak in Second Reading? If no Member wishes to speak in Second Reading then I close the debate and invite Members to return to their seats and again ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The regulations have been adopted in Second Reading.

POUR: 38		CONTRE: 1		ABSTAIN: 0
Senator I.J. Gorst		Deputy M.R. Higgins (H)		
Senator L.J. Farnham				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				

Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

The Greffier of the States:

Deputy Higgins.

The Bailiff:

Do you propose the matter in Third Reading, Minister?

Senator I.J. Gorst:

If I may, thank you.

The Bailiff:

Is the matter seconded in Third Reading? [**Seconded**] Does any Member wish to speak in Third Reading? If no Member wishes to speak in Third Reading then I close the debate and again invite Members to return to their seats and ask the Greffier to open the voting. If Members have had the

opportunity of casting their votes, I ask the Greffier to close the voting. The regulations have been adopted in Third Reading.

POUR: 40		CONTRE: 1		ABSTAIN: 0
Senator I.J. Gorst		Deputy M.R. Higgins (H)		
Senator L.J. Farnham				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

10. Draft Limited Liability Companies (Commencement) (Jersey) Act 202- (P.34/2022)

The Bailiff:

The next item of Public Business is the Draft Limited Liability Companies (Commencement) (Jersey) Act, lodged by the same Minister with the same responder, P.34, and I ask the Greffier to read the citation.

The Greffier of the States:

The Draft Limited Liability Companies (Commencement) (Jersey) Act 202-. The States make this Act under Article 63 of the Limited Liability Companies (Jersey) Law 2018 and Article 19 of the Limited Liability Companies (Amendment) (Jersey Law 2020.

10.1 Senator I.J. Gorst (The Minister for External Relations and Financial Services):

This does what it says on the tin and is an Act which brings into force the L.L.C. law. I would like to thank all of my officials for the hard work that they have done in getting to this stage. We know that it has taken longer than we had envisaged and hoped for and that was due to the complexities, some of which have been explored this morning in the Assembly. But I am very grateful to them, I believe that it is an important addition to structures available to industry and will make Jersey a continuing attractive jurisdiction of choice. I should also say I am very grateful to the Solicitor General for his help, support and advice to myself and to Members this morning during the course of the debate.

The Bailiff:

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition? If no Member wishes to speak on the proposition then I close the debate, I invite Members to return to their seats and ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The proposition has been adopted.

POUR: 39		CONTRE: 1		ABSTAIN: 0
Senator I.J. Gorst		Deputy M.R. Higgins (H)		
Senator L.J. Farnham				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				

Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy K.C. Lewis (S)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

11. Draft Proceeds of Crime (Financial Intelligence) (Amendment) (Jersey) Regulations 202-(P.32/2022)

The Bailiff:

We now come back to the Draft Proceeds of Crime (Financial Intelligence) (Amendment) (Jersey) Regulations, P.32, lodged by the same Minister and I ask the Greffier to read the citation.

The Greffier of the States:

Draft Proceeds of Crime (Financial Intelligence) (Amendment) (Jersey) Regulations 202-. The States make these regulations under Articles 41B and 42A of the Proceeds of Crime (Jersey) Law 1999.

Senator I.J. Gorst (The Minister for External Relations and Financial Services):

I ask my Assistant Minister to act as rapporteur, please.

11.1 The Connétable of St. Ouen (Assistant Minister for External Relations and Financial Services - rapporteur):

As Member will be aware, the importance of being able to detect and investigate suspicious financial activity is vital to the function and reputation of our Island as an international finance centre. There is a worldwide network of financial intelligence units which are responsible for receiving, analysing and disseminating information in relation to financial crime. This proposition establishes the Island's existing Financial Intelligence Unit, known as F.I.U., as an autonomous department to ensure that we remain in step with our international obligations. Our Island has a longstanding policy of compliance with international standards, both on anti-money laundering measures and countering the finance of terrorism. These requirements are defined by the Financial Action Task Force, known as F.A.T.F., which is the international standard set on financial crime policy. F.A.T.F. defines a

financial intelligence unit as being able to receive and analyse suspicious transactions reports and other information such as money laundering and terrorism financing. To do so it is now recognised that this unit needs to have operational independence and access to the necessary intelligence. In Jersey the role has never been fully defined in law since being established in 1999 under the Proceeds of Crime (Jersey) Law 1999 as amended by the 2015 regulations of the Joint Financial Crime Unit within the States of Jersey Police Unit that carries out these units as part of the Financial Intelligence Unit. As such, the J.F.C.U. (Joint Financial Crime Unit) has performed 2 roles, as an intelligence unit and as an operations unit. Originally it was conceived as a police department staffed by serving officers. This has changed over the years and civilian staff members have been appointed. The specialist skills required to detect financial crime in the modern age include analytical support and industry experience. That need has never been more clear cut than it is now. These draft financial regulations establish and define the Jersey Financial Intelligence Unit according to the current F.A.T.F. standards giving it its own identity and independence and overseen by a board of governors. The J.F.I.U. (Jersey Financial Intelligence Unit) will deal with intelligence while the operation unit remains part of the J.F.C.U and States of Jersey Police. In concluding, I would note that the proposition has no direct financial or resource implications; increased funding for resources in the J.F.I.U. has already been agreed by the States Assembly in the Government Plan 2022-2025 and a recruitment plan is progressing. In respect of human rights, no issues have been identified. Equally, my officials, along with the current head of the J.F.I.U., Jason Carpenter and Detective Senior Inspector Mark Cotterill, have briefed the Scrutiny Panel and I hope that the Scrutiny Panel will confirm their support for this legislation.

The Bailiff:

It would not be normal to name any members of public in the Assembly and I would like that name to be removed.

The Connétable of St. Ouen:

I apologise, Sir, I realise that now. This is an important set of amendments and this is critical to meeting the international standards set by F.A.T.F. and this will be critically assessed in our upcoming MONEYVAL evaluation . I hope Members will support the proposition.

The Bailiff:

Thank you, Connétable. Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles?

[12:30]

11.1.1 Deputy G.P. Southern:

Yet again we get an example of activity taking place not quite at the last minute but almost. The question I would want to ask the rapporteur is how long have these changes been under consideration? How long has it taken to get where we are today?

11.1.2 The Deputy of St. Martin:

I rise to represent the Scrutiny Panel who have taken a number of briefings on this. The panel are aware that the Financial Intelligence Unit is best described as the engine room for agencies and the role has grown considerably since the introduction in 1999 and over the past decade the profile of those workings, as the Minister has described, has changed and needed to change and it is now much wider than simply police work. We are aware as a panel that the draft regulations are going to cover 2 areas for change and enhance the overall effectiveness with what now will become known as the J.F.I.U., for those who like acronyms, and clearly splitting the 2 functions of the previous Financial Crimes Unit into the Financial Intelligence Unit and the operations which are going to remain in the States of Jersey Police. The panel are aware these draft regulations clearly provide that the unit will

have independence and autonomy and that is very important. We spent some time discussing that issue itself and we are happy that the recommendation for action has come out of not only our own work but previous reviews on the subject.

11.1.3 Deputy M.R. Higgins:

If I may, I could not get it into the chat fast enough. Contrary to my previous votes of contre, on this particular one I shall be supporting. I think this is a very important change and the more intelligence and co-ordination there is the better, especially supporting this particular proposition.

The Bailiff:

Thank you very much. Does any other Member wish to speak to the principles? If no Member wishes to speak to the principles then I close the debate and call on the Minister to respond. Sorry, the Connétable to respond.

11.1.4 The Connétable of St. Ouen:

I thought you were punishing me for my last mistake. In response to Deputy Southern’s comments, as always with these things it is a balance between getting it right and moving quickly. I should also point out that the requirements of the Financial Intelligence Unit are an evolving position and I think we wanted to make absolutely sure that those were the F.A.T.F. requirements before we moved the matter into legislation. I accept it is a constant reminder to us that we have to be swift but also accurate. I think in this respect the need for accuracy in the upcoming MONEYVAL inspection probably overrode the need perhaps for a little more speed. Also I do not think one should underestimate the amount of work that goes on behind the scenes to implement these changes and make sure that they are correctly implemented and they work and function properly as it involves a number agencies both connected to the States of Jersey Police and the Law Officers’ Department and has involved a high degree of co-ordination between all those parties. I accept what he says to some extent but my mitigation is that spent a lot of time making sure we got it correct. I am delighted with Deputy Higgins’ comments. I am very pleased that he supports this and his views will probably mirror mine. With that, I propose the proposition.

The Bailiff:

I invite Members to return to their seats and ask the Greffier to open the voting. The vote is on the principles of P.32. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The principles have been adopted.

POUR: 40		CONTRE: 0		ABSTAIN: 0
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				

Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

The Deputy of St. Martin, does your Scrutiny Panel ...

The Deputy of St. Martin (Economic and International Affairs Scrutiny Panel):

No, thank you, Sir.

The Bailiff:

Do you wish to deal with the matter in Second Reading, Minister ... Connétable?

11.2 The Connétable of St. Ouen:

I have to concede I am still in the doghouse but I hope forgiveness when we come to the Third Reading. These regulations, if passed, would amend the Proceeds of Crime (Financial Intelligence) (Jersey) Regulations 2015 to designate the Jersey Financial Intelligence Unit as a financial intelligence unit in Jersey to provide for its governance and exercising of its functions. With that, I would ask that we take them *en bloc*, please?

The Bailiff:

Are they seconded for Second Reading? **[Seconded]** Does any Member wish to speak in Second Reading? ? If no Member wishes to speak in Second Reading then I close the debate, I invite

Members to return to their seats and ask the Greffier to open the voting. The vote is on P.32 regulations in Second Reading. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The regulations have been adopted in Second Reading.

POUR: 40		CONTRE: 0		ABSTAIN: 0
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy G.J. Truscott (B)				
Deputy L.B. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				

Deputy I. Gardiner (H)			
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Do you propose the matter in Third Reading, Connétable?

11.3 The Connétable of St. Ouen:

Yes, I do and before I do so I would like to thank the Deputy of St. Mary and his Scrutiny Panel for the valuable assistance in bringing what has been a fairly complex project to a conclusion. I would also like to thank the Law Officers' Department, the States of Jersey Police and our own officers who have worked incredibly hard to get this to this stage. Without their efforts we would not be here today. With that, I move it in Third Reading.

The Bailiff:

Is it seconded in Third Reading? **[Seconded]** Does any Member wish to speak in Third Reading? If no Member wishes to speak in Third Reading then I close the debate, I invite Members to return to their seats and ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The regulations have been adopted in Third Reading.

POUR: 40		CONTRE: 0		ABSTAIN: 0
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator S.C. Ferguson				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				

Deputy G.J. Truscott (B)			
Deputy L.B. Ash (C)			
Deputy K.F. Morel (L)			
Deputy G.C.U. Guida (L)			
Deputy of St. Peter			
Deputy of Trinity			
Deputy of St. John			
Deputy M.R. Le Hegarat (H)			
Deputy S.M. Ahier (H)			
Deputy J.H. Perchard (S)			
Deputy C.S. Alves (H)			
Deputy K.G. Pamplin (S)			
Deputy I. Gardiner (H)			

12. Community Costs Bonus: increase (P.39/2022)

The Bailiff:

The final item of Public Business is P.39 the Community Costs Bonus: increase, lodged by Senator Moore and I ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to request the Council of Ministers to bring forward regulations to the Assembly to increase the Community Costs Bonus to offset the impact of cost-of-living increases in respect of groceries and fuel and, in particular - (a) to calculate and determine an appropriate increase to the Community Costs Bonus based on past and expected estimated future increases in the cost of G.S.T. (goods and service tax), which the bonus was designed to offset, based on the previous and next 6-month periods; (b) to provide the Assembly with an estimate of the cost of the bonus on the basis that eligible persons are Islanders who do not pay tax, alongside options for the introduction of such a change to the eligibility criteria; (c) to provide the Assembly with an estimate of the cost of extending the bonus to all Islanders who pay income tax at the marginal rate, alongside options for the introduction of such a change to the eligibility criteria; (d) to agree that any funds required for an increase on the basis of eligibility outlined in paragraph (b) should be allocated from the 2021 underspend as identified by the Minister for Treasury and Resources; and (e) to request that the Council lodge the regulations so as to ensure that they can be debated before the end of the current term, in view of the urgency and importance of addressing this matter, so that eligible Islanders can have the certainty of the bonus increase before autumn and the onset of winter.

12.1 Senator K.L. Moore:

I am sure Members like myself listened to the news this morning, which contained a sadly familiar theme. The Salvation Army describing the increasing number of people that are seeking their support. They can see that these people are not their regular clients, they are increasingly working people who would not previously have needed the help of the Salvation Army. The description I found emotional and it is certainly not one that we should recognise in Jersey where we have prided ourselves for many years on the high level of quality of life that we have and also incomes of Islanders. This message, however, is reiterated by both the Grace Trust and the Consumer Council, along with Citizens Advice Jersey. It was their evidence which shows that last year they saw an 18 per cent increase in people contacting them seeking support and already this year their figures are 17 per cent up on the previous year as more and more people are requesting help with the increasing

cost of living. It was listening to the evidence from Citizens Advice Jersey that caused me to think about the need for this proposition. As the quote states in the original proposition that I lodged a short while ago - I would like to read it out - the chief executive officer says: "We cannot see an equivalent provision or area of support for those who do not qualify for income support. This may be due to their income being slightly above the means tested entitlement or due to having a mortgage, which is being affected by an increasing Bank of England base rate. These households can struggle just as much as the income support households without having access to other support, income support is increased annually as a buffer against the increasing cost of living for those who are not receipt of income support. They have to make ends meet with stagnating wages. Many of these Islanders also need access to foodbanks, provisions, dry goods and toiletries. This is a vulnerable group that deserves more focus." It was with that that I set about lodging this proposition. Of course, Jersey is not alone in this issue. Earlier this week the Governor of the Bank of England described the situation as an historic shock that he predicts will impact upon society to a greater extent than the financial crisis of 2007 and 2008. Around the world Governments are introducing extraordinary measures to help their citizens to cope with an increasing cost of living. Earlier this week we had a discussion about the pros and cons of providing that help by reducing the duty on fuel, which we heard was potentially not targeted enough. It is a thorny issue and one that I know Members have wrestled with already. But support has to be well-directed in order to help. Using existing frameworks is the simplest in my mind and, of course, that is why we have sought to use the community costs bonus. This is used currently to support people who do not earn enough to pay income tax with the cost of G.S.T. on the essentials such as food and fuel. Members will be aware of the recent cries once again for the removal of G.S.T. on foodstuffs but of course adopting our low, broad, simple and fair regime we have the community costs bonus as the mechanism to provide this support. It is clear that a wider group of people are struggling with the cost of living and would benefit from this additional payment to get them through the winter. The most recent inflation figure is, of course, just over 3 per cent and the F.P.P. (Fiscal Policy Panel) suggests that it will increase to over 6 per cent with others claiming that it could be more this winter. The information provided by the Consumer Council shows that bread has increased by 18.3 per cent over the past 5 years, with milk, fish, tea and oils also seeing similar increases. Earlier this week the Minister for Social Security made a statement and in it she has managed to bring additional support for people who are currently receiving benefits. This is a step forward and she should be praised for her initiative which shows a very nimble attitude and a great deal of effort that has gone on to bring that forward. It still does not go far enough to meet those people who are not currently eligible for benefits as I outlined earlier. In bringing her comments to the Assembly the Minister has since kindly met with me and I am grateful to her and her officials for doing so. We met at lunchtime yesterday and again this morning. This has been a very collaborative and much appreciated approach. The Minister has outlined in her comments, and Members I hope will have had an opportunity to read them, that the marginal rate taxpayers are currently 44,000 in the Island. That is not a figure that was anticipated when this proposition was brought. There are many potential arguments as to whether or not all of that group should, of course, benefit from an increased and enhanced community costs bonus.

[12:45]

It is also clear that part (e) of the proposition provides some challenges for officials if it was to be adopted so, therefore, I am willing to accept a commitment that I have received this morning from the Minister for Social Security that a project team will be set up immediately. That project team will provide the next Council of Ministers with a suite of potential measures for them to consider in order to deal with the cost of living. There will be sufficient time then for the next Council of Ministers to lodge a proposition in August for debate in September, so I urge all of those who are re-elected to this Assembly in June to be following that Council of Ministers and ensuring that they bring such a proposition at that time. That will enable those people who are then considered eligible to receive an extended community costs bonus to apply for it in October and it will be received ahead

of the winter. Once again, I would say I am grateful to the Minister for her understanding and the genuine intentions behind this proposition. I urge the project team to engage with all of the local bodies who are currently doing all that they can to assist people with their issues and their struggles with the cost of living. It is, of course, an evolving situation and it is one from which the Government benefits as higher prices increase their receipts with G.S.T. But I am now reassured that sufficient work will be done between now and the next Assembly being put in place to allow a new Council of Ministers to bring forward an appropriately targeted proposition so that the next Assembly will be able to put in place some measures that will assist with the cost of living over the coming winter. So I withdraw my proposition and thank the Minister for her assistance.

The Bailiff:

Thank you very, Senator. Well, with the proposition being withdrawn and P.48 being deferred ...

Deputy J.A. Martin:

Could I just make an observation on that and just thank the Senator?

The Bailiff:

If it is a very brief observation.

Deputy J.A. Martin:

It will be very brief.

The Bailiff:

It must not be a speech of any sort.

Deputy J.A. Martin:

No, very brief, just to thank the Minister and it just will not just be my team, thankfully we had the Comptroller and the Treasurer in the room with the Minister for Treasury and Resources, we all be working together and we will still be talking to find out who those people are we need to consult with. Thank you very much to the Senator.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

The Bailiff:

Thank you very much, Deputy. That concludes Public Business for this meeting and I invite the chair of P.P.C. (Privileges and Procedures Committee to propose the arrangements for public business for future meetings.

13. Deputy C.S. Alves of St. Helier (Chair, Privileges and Procedures Committee):

There have been no changes to the arrangement of public business from what was listed on the Consolidated Paper. Obviously, there was an email that went round to Members earlier on in the week suggesting that we should start on Monday morning as there is quite a high number of items on that Order Paper. It has also been suggested that we also reduce lunch times to one hour as well. If there is no objection, I would like to propose those 2 things together.

The Bailiff:

I am entirely relaxed about that if that is how you would like to propose it but it is possible you will get a vote against because someone will agree with one part but not the other.

Deputy C.S. Alves:

Okay, I will take them separately then.

The Bailiff:

Separately. Is the first proposition then that we sit on Monday and through the entire week? Is that seconded? **[Seconded]** Does any Member wish to speak?

Deputy G.P. Southern:

Yes, briefly. Could we have a reminder of what that does to the question dates from the Greffe, just so we are aware?

The Bailiff:

I do not think it makes any difference, Deputy, we are already scheduled to sit on the Monday, this simply brings it forward to Monday morning as opposed to ... we are not bringing a date, we are already scheduled for Monday afternoon, if that assists. Does any other Member wish to speak? I will take this on a standing vote. The vote is that we sit on Monday morning. Those in favour? Those against? Very well. You propose now that we reduce luncheon to a period of one hour between 1.00 p.m. and 2.00 p.m. on each of the working days of the Assembly?

Deputy C.S. Alves:

Yes, please.

The Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak?

13.1 Senator L.J. Farnham:

An observation I would make is that when the States sits for a number of consecutive days lunchtime is a very useful time for Ministers and Members to hold meetings that we might not ordinarily be able to do because of the consecutive days of sitting. I just want Members to bear that in mind. There is not often time to hold a meeting and even grab a quick sandwich sometimes. I am not sure I could support that, given I know there is a lot of business still to be conducted outside of the Assembly.

13.1.1 Deputy M. Tadier:

Obviously, none of this is pre-planned but I think I agree with Senator Farnham about the shorter lunch breaks but what I would again propose is that we sit until 6.00 p.m. every day because we tend to find ...

The Bailiff:

We will have to take that as a separate ...

Deputy M. Tadier:

I am just saying that now as a counter suggestion as to why I probably will not support this. I think there is a compromise to have an hour and quarter lunch so finish at 12.45 p.m., come back at 2.00 p.m. and work through to 6.00 p.m. The problem is we get to the Thursday and then we decide we have no time left so we decide to sit until 8.00 p.m. or 9.00 p.m., whereas if we are doing 6.00 p.m. every day we at least know where we are when we are in the Chamber and then we can potentially another 2 or 3 hours out of a productive week. That is what I would go with.

13.1.2 Deputy K.F. Morel:

I think we are worrying a little bit too much in advance here. We have the early start time on Monday, that is fine. We have seen this week how we have put all these preparations in place and here we are lunchtime on Thursday and we are all finished. I would say let us play this as we go and we have the early start time on a Monday, let us leave it at that.

13.1.3 Connétable S.A. Le Sueur-Rennard of St. Saviour:

I do not know whether this is relevant or whether this is the right thing to do but if we stick to the propositions that are being discussed and we do not use it as a promotion to put ourselves out for voting, we will get more work done.

13.1.4 Deputy J.H. Perchard of St. Saviour:

I just thought it would be helpful, bearing in mind what Senator Farnham said, to just remind Members that we have an extra week I think between this sitting and the next one. We have 3 weeks now between this sitting and the next one rather than 2 weeks in between and so it might be worth just remembering that and if there are meetings that need to be had around that time perhaps they could be pulled into the week before the sitting to negate the lunchtime worry. There is an extra week of time that perhaps could be meeting heavy and the diaries could be cleared for the sitting and we could have the shorter lunch break as proposed.

The Bailiff:

Thank you, Deputy, does any other Member wish to speak on the proposition? The proposition is that we take an hour only for lunch on each of the States sitting days. If no Member wishes to speak, I close the debate and call upon the chair of P.P.C. to respond.

13.1.5 Deputy C.S. Alves:

Thank you to all the Members that have contributed. The only thing that I probably have to address is the point Deputy Perchard's made. I know that in the following week there are planning meetings going on, which will mean there will be a big gap after that until the next Assembly is elected and a new Planning Committee is established. That would be potentially until September. So I have been informed that the Planning Committee agenda is quite full that week as well and that would be near impossible to reschedule and takes out quite a number of Members in this Assembly, up to 10. I thought I would just make Members aware of that and I ask for *appel*.

The Bailiff:

The *appel* is called for, I invite Members to return to their seats. The vote is on whether when the Assembly sits on the last occasion it takes an hour for lunch only for the sitting days. I ask the Greffier to open the voting and Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The proposition has been defeated: 17 votes pour, 24 votes contre. Very well, are there any other propositions in connection with the organisation of the last week of sitting before we move to the adoption of future business. No? Very well, do you propose the arrangement for future business then?

Deputy C.S. Alves:

Yes, please.

The Bailiff:

Is that seconded? **[Seconded]**

The Connétable of St. Brelade:

Just briefly to ask the P.P.C. to add in P.29 which we will take at the next sitting.

The Bailiff:

P.29 and P.48. Okay, so that is the addition of P.29, which was called into Scrutiny and P.48 which of course Deputy Tadier deferred earlier. It is the arrangement of the future business otherwise that appears on the Order Paper. Very well, is that seconded? **[Seconded]** Is there anyone else wishing to speak? I close the debate. Do you have anything you wish to add, Chair?

Deputy C.S. Alves:

No, thank you.

The Bailiff:

Those in favour of adopting the arrangement for future business kindly show. Those against? Very well that concludes the business of the Assembly and we stand adjourned until Monday, 25th April.

ADJOURNMENT

[12:56]