

3.11 Deputy M. Tadier of the Chief Minister regarding the Panorama programme broadcast on 21st September 2009

Following the Panorama programme broadcast on Monday, 21st September 2009 what specific action, if any, will the Chief Minister be taking to restore people's confidence that our main industry is not promoting tax evasion?

Senator T.A. Le Sueur (The Chief Minister):

I refer the Deputy to my answer to the written question 4791 asked by Deputy Southern on the subject. I would also refer him to the statement I made on 20th September 2009 which is available on the States website. The particular circumstances revealed in the Panorama programme are currently being investigated by Lloyds TSB. There is no reason to believe that this is other than an isolated incident, as the banker stated. However, I do not wish to speculate. Rather we will wait and know with more certainty once the results of the investigation are known and have been fully considered by the Jersey Financial Services Commission. I will then be in a position to respond better to the Deputy's question and, if necessary, thereafter instigate specific actions.

3.11.1 Deputy M. Tadier:

Indeed I have already referred to the answer and with regard to: "There is no reason to believe that this is anything other than an isolated incident" will the Chief Minister accept that on the balance of probability it is more likely that this is an example of normal practice rather than an example of an exception to the rule?

Senator T.A. Le Sueur:

No, I disagree entirely. The Island has high standards. It has had those standards reviewed and accepted as being good and I stand by my comments that I believe this is an isolated incident.

3.11.2 Deputy T.M. Pitman:

It is unfortunate but true that there has been a long established practice to simply rubbish, some might even say, smear anyone who dares suggest that all might not be as it should be in our financial garden, so to speak. Does the Minister then agree that it was perhaps a mistake for the Council of Ministers to respond effectively by simply dismissing the Panorama programme and the motives behind it?

Senator T.A. Le Sueur:

But I am not dismissing the Panorama programme. I am taking it extremely seriously, as is Lloyds TSB. That is why the investigation is under way and it will be pursued also by the Jersey Financial Services Commission. No one is rubbishing or dismissing this programme at all.

3.11.3 The Deputy of St. Mary:

Does the Chief Minister really believe that employees in the middle reaches of the financial industry make up their own products to sell to customers?

Senator T.A. Le Sueur:

No, the products are there and supplied by the institutions concerned, so I do not accept the Deputy's comments.

3.11.4 Senator A. Breckon:

I wonder if the Chief Minister could confirm that the Jersey Financial Services Commission have no sanction, only to remove the licence?

Senator T.A. Le Sueur:

That sounds a very powerful sanction to me. I believe they do have other regulatory functions that they can adopt, but certainly they have not indicated to me any lack of sanctions to ensure that Jersey continues to deliver to the highest standards which the banks and other institutions themselves are committed to delivering.

3.11.5 The Deputy of St. John:

Given the Island has been courting the media in recent times, and we see this on a daily basis in the last few weeks with television vans parked in the Royal Square where nobody else is permitted to park, will the Minister agree that the courting in this particular way has not helped the image of the Island?

Senator T.A. Le Sueur:

I think the Deputy starts from a false premise. I do not believe that Jersey is courting the media and encouraging them to park in the Royal Square. The media can make their own mind up in that respect. Certainly, to be more serious, the Island does have a responsibility to demonstrate to the rest of the world the high quality and high standards which it has. It does that through matters of reputable judgment such as the I.M.F. (International Monetary Fund) report and when we get reports as good as we have received, that demonstrates to me far better than any potentially biased media comment just what the true position is.

3.11.6 The Deputy of St. Martin:

The Minister has read out the sentence: "There is no reason to believe that this is other than an isolated incident as the bank has stated." Could the Minister remember that there was a young lady called Mandy Rice Davies who said: "They would say that, wouldn't they?" Could the Minister give us a reason as to why he thinks this is isolated and would he think it might be better to make no comment until someone has stated whether it is an isolated statement or not?

Senator T.A. Le Sueur:

I make that statement on the basis that the Jersey Financial Services Commission have a very thorough reviewing process for all financial institutions and all products being marketed within the Island, and the information and the feedback we get from that and indeed from the independent reviews is that the Island sets high standards as indeed do the financial institutions themselves. Those institutions are worldwide institutions and they have no wish to sully their reputation either.

3.11.7 Deputy I.J. Gorst of St. Clement:

I wonder if the Chief Minister would reiterate his statement that he believes it is probably an isolated incident because there are requirements on individuals operating within the finance industry that were they to suspect that their client is evading tax they would have to make a report. So, I wonder if he could reiterate that statement?

Senator T.A. Le Sueur:

Absolutely. I am glad to reiterate that statement and give the prominence it deserves.

3.11.8 Deputy M. Tadier:

I must say I find that comment very strange that we are saying here that because we have good regulation, this must be an isolated incident. It is a very strange thing to say. The final question is how damaging was the Panorama programme, in the opinion of the Chief Minister, to the Island's finance industry?

Senator T.A. Le Sueur:

I do not believe it was particularly damaging. I believe that the Panorama interview and programme was not a particularly well put together piece of work. It was a bit of - I will not say cheap - but crude and sensationalistic journalism and I believe that we should pay far more attention to reputable views of the Island taken by responsible, professional people.