

**STATEMENT TO BE MADE BY THE CHIEF MINISTER
ON TUESDAY 12TH APRIL 2016**

Beneficial Ownership of Companies

Yesterday the Council of Ministers agreed to sign an Exchange of Notes on the sharing of beneficial ownership information between the Government of the United Kingdom and the Government of Jersey.

Members will have found this document on their desks this morning. The Notes and the accompanying Technical Protocol are the result of many months of discussion between the UK Government, the Overseas Territories and the Crown Dependencies and yesterday UK Prime Minister David Cameron welcomed our commitment to work with the UK in the pursuit of those engaged in tax evasion and fraud.

The UK Government's main objective has been to obtain agreement on the setting up of a Central Database of beneficial ownership of companies, and Jersey has had such a register since 1989.

We are unaware of any other jurisdiction with a Central Register whose contents are subject to the same degree of vetting for accuracy and adequacy as our own. Our leading position has been recognised by UK Ministers as well as internationally.

For Jersey this agreement essentially means business as usual, albeit we are enhancing through technology the speed at which requests can be answered. This reflects Jersey's leading position in providing adequate, accurate and current beneficial ownership information through its Central Register, supported by the effective regulation of Trust and Company Service Providers.

The agreement also underlines our continued commitment to law enforcement cooperation between the Governments of Jersey and the United Kingdom. Jersey has a long history of passing accurate beneficial ownership information to UK law enforcement authorities, to the declared satisfaction of those authorities. Jersey already shares information about tax with our network of tax information exchange agreements. In future we will automatically share that information under the Common Reporting Standard of which Jersey is an "early adopter".

The new agreement will introduce by June 2017 a new requirement for information to be provided within 24 hours and, when urgently required, within one hour. This is in response to a need for information without delay where terrorist activities are involved and is of particular significance in the light of recent events in Paris and Brussels.

We strongly support this new standards. The shared commitments highlighted in the documents are linked to the Action Plans on beneficial ownership transparency that followed the G8 summit at Lough Erne in May 2013. They are also seen as an important

part of the preparations for the Anti-Corruption Summit that the UK is chairing in London on May 12th.

Before the commitment was made we started consulting with the finance industry on further enhancing the timeliness of the information held on the Central Register. Jersey's commitment to international standards on transparency and information exchange is also demonstrated in the action taken in recent years.

For instance –

- This government has been a party to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters since June 2014. Together with the Tax Information Exchange Agreements and Double Taxation Agreements that have been entered into, Jersey is currently in a position to exchange information on request with some 80 countries;
- This government is fully committed, as an 'early adopter', to automatic exchange of information in accordance with the international Common Reporting Standard. Next year we will be providing information automatically to over 50 countries;
- Jersey has received commendations from the Secretary General of the OECD and the EU Tax Commissioner on the extent of Jersey's commitment to, and compliance with, the international standards on transparency and information exchange;
- Jersey has gained international recognition of its leading position from the World Bank, the IMF and Moneyval (the FATF style regional body for Europe) for the standard of compliance with the international standards of transparency and information exchange.
- This government is supporting the OECD BEPS programme and is currently engaged in consultation on the arrangements for information exchange through country by country reporting.
- This government is held in high esteem by the UK National Crime Agency for the cooperation they obtain from the Jersey Joint Financial Crime Unit.

This government's policy has long been to be at the forefront of the adoption of the international standards on transparency and information exchange, while also having regard for data protection and personal privacy. We welcome the action taken by the EU through the Fourth Money Laundering Directive, and by the UK Government through the commitment it has obtained from all the Overseas Territories and Crown Dependencies, that will see the wider establishment of a Central Database of beneficial ownership of companies.

Jersey has been, and remains, a leader in providing the authorities with accurate information on beneficial ownership. Jersey has had a Central Registry for nearly 30 years. During that time we have consistently cooperated with law enforcement and tax authorities around the world, playing our part in the global fight against financial crime.

Other jurisdictions have sought to learn from our experience and we continue to offer our services in this respect. We are joining with the UK in responding to the need for a faster response to requests for information, and we welcome the action that others are now taking to follow our lead in providing accurate and regulated beneficial ownership information to the authorities. This will lead to a more effective global attack on those engaged in money laundering, corruption, tax evasion and the financing of terrorism.

As set out in our Financial Framework, we have a well evidenced plan for our increasingly diversified and technology driven finance sector. We will continue our work to remain the jurisdiction of choice for high quality business and get the recognition that Jersey deserves for playing a full part in its shared global responsibility for fighting financial crime.