

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY M. TADIER OF ST. BRELADE
ANSWER TO BE TABLED ON TUESDAY 8th DECEMBER 2009**

Question

What concerns, if any, does the Chief Minister (and the Council of Ministers) have about forging trade links with communist or otherwise uncertain governments with expansionist policies, with a poor record of human rights?

Is he satisfied that the supervision of business in these countries meets 'Know Your Customer' (KYC) and similar minimum standards according to OECD, IMF and EU requirements?

Has this subject even been discussed officially at Council of Minister meetings and if so, will the Chief Minister indicate, without necessarily breaking confidence, the nature and conclusion of any such discussion?

Answer

The Strategic Plan 2009-2014 recognises that a strong international identity is vital if we are to respond effectively to global economic conditions. The Strategic Plan includes a commitment to strengthen our international relationships, supported by legislation, regulation and international agreements. Part of this strengthening includes Jersey entering into Tax Information Exchange Agreements (TIEAs) with OECD member countries and the G20 non-OECD countries, which includes Russia and China. Establishing economic relationships is integral to the process towards signing and maintaining such agreements. The Chief Minister in April following the London G20 Summit responded to a letter received from the British Prime Minister assuring him that Jersey would be actively engaging in negotiations with the G20 member countries.

Russia and China are both members of the Financial Action Task Force (FATF), the inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. In both cases membership depended on the FATF being satisfied through a full assessment that they met the required level of compliance with the international standards set including those on Customer Due Diligence.

The OECD has invited Russia to open discussions for membership and has offered enhanced engagement, with a view to possible membership, to China. In addition, the Jersey Financial Services Commission entered into a Statement of Co-operation with the China Banking Regulatory Commission in 2006. The objectives of the statement include working towards the mutual understanding of both jurisdictions' regulatory regimes, strengthening co-operation between the two, including the provision of assistance where necessary, and establishing dialogue in this regard.

The Council of Ministers has not had occasion to discuss the issue of human rights within communist countries per se. However, in line with the approach adopted by the UK, USA and other countries, we should expect that there is more to be gained through the pursuit of a process of constructive engagement with these countries at political and business levels.