

Scrutiny Officer
Morier House
Halkett Place
St Helier
Jersey
JE1 1DD

30th November 2007

Dear Sirs

Jersey Finance Limited (JFL)

I am writing in response to your request for comments in relation to the role of JFL .

I am a Chartered Accountant who has lived and worked in the Island for over 12 years and during this time I have had significant exposure to both the finance sector and the work of JFL. Part of my relationship with JFL, which covers the period from its design to date, has been as a supplier of professional services on a commercial basis. Whilst this element of the relationship might appear to create a conflict of interest, I firmly believe that the independence of thought required by my profession enables me to remain objective; furthermore, the nature of my professional work for JFL has required and enabled me to observe and understand its operation in some depth.

With regard to your specific questions, I would respond as follows:

- How effective is JFL in delivering its stated objectives?

These objectives, which have been refined over JFL's life, are the promotion of Jersey as an international finance centre and the general representation of the finance industry in local and international matters. The key components of this mission are the promotion of Jersey's finance sector, both within and outside the Island, and defining and representing the industry's view on legal, fiscal and regulatory technical issues. I believe that JFL is very effective in the delivery of these objectives, which are often complex and demanding.

In my view, the effectiveness of JFL is based on the quality of the people connected with it. The board is widely-drawn from senior government, finance industry, professional and commercial organisations and the Executive Directors were chosen on the basis of very thorough professional recruitment processes.

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The manner in which JFL is supported by the finance sector, both through the membership subscriptions and participation in JFL events, indicates that the finance industry has a high regard for JFL's effectiveness. Furthermore, my career has involved me in speaking to senior figures from several other offshore finance centre jurisdictions, and I know that many of these people are interested in JFL because it is regarded as a model of effective promotion.

- Does JFL provide value for money to the Tax-Payer and the Finance Sector?

The question, correctly in my view, focuses on the question of value, which acknowledges that just considering JFL's costs is over-simplistic. Clearly good (or bad) value can be provided at a range of different cost levels and part of JFL's mission is to establish the extent of activities required by government and the finance sector and then to deliver these in cost-effective manner to provide value. My belief is that JFL achieves this effectively and this belief is supported by the evidence of continued financial and practical support from these key stakeholders. JFL goes to considerable lengths to communicate regularly with its stakeholders, so that it is constantly testing and re-affirming the relevance of its activities.

Accordingly, the current level of costs that JFL incurs is a direct function of the range and scope of activities that it undertakes and the manner in which this has evolved reflects the input and agreement of the stakeholders.

The support of the finance sector, in particular, is not something that is achieved without a well reasoned justification as the industry's resources are stretched; that the industry's support has been so widespread and consistent is, in my opinion, compelling evidence of value for money.

- What is the correct balance of public and private funding for JFL?

I believe that the effectiveness of JFL was to a large extent been underpinned by achieving an appropriate balance between finance sector and government funding. I regard this balance as key, because the industry backing confirms the relevance of JFL's activities and the government input evidences appropriate support for Jersey's key industry. Once again, the evidence that I have encountered in other jurisdictions confirms some envy from those who can't achieve this balance.

I have not seen evidence that JFL was intended to be "self-funded" (i.e. funded wholly by the finance sector) and clearly the sudden withdrawal of government funding would seriously undermine JFL's ability to operate in its present manner.

In conclusion, I have a high regard for JFL's people and activities and believe that it represents a successful government and finance sector joint venture. I would be pleased to expand, either orally or in writing, on any of the above points.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Charles C.G. Clarke'. The signature is fluid and cursive, with a large initial 'C' and a distinct 'G'.

Charles C.G. Clarke