

OFFICE OF FAIR TRADING: ESTABLISHMENT (P.97/2002) – COMMENTS

**Presented to the States on 18th March 2003
by the Finance and Economics Committee**



STATES OF JERSEY

STATES GREFFE

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Comments

The Finance and Economics Committee is of the view that proposals which increase the number of bodies reporting to the States will fail to deliver the efficiencies and cost savings which the structure proposed by the Policy and Resources Committee will facilitate.

The Committee also strongly opposes the integration of the Jersey Financial Services Commission into an Office of Fair Trading. The core function of the Commission is the regulation of Financial Services business in the Island to ensure it conforms to international best practice standards. It carries out this function as a distinct policy-setting institution and without operational dependency on Government. This independence has been validated by the International Monetary Fund (IMF) during its recent evaluation of Jersey's regulatory apparatus and the IMF has also made suggestions as to how the policy independence and the self-sufficiency of the Commission's resourcing can be strengthened. The Committee is strongly of the opinion that there is therefore no need for the interposition of a further body to achieve this aim in respect of the Commission.

Many of the other functions that would sit under the proposed Office of Fair Trading already operate independently of policy and operational dependency on Government, although they do have links and access to it. The Committee therefore is of the opinion that, together with the draft Competition Law which is expected to be debated in the States, and which will further protect the consumer, there is no need for a further body, whether an Office of Fair Trading or other, to achieve the aims of the proposals outlined in the report and proposition.

The Finance and Economics Committee recognises that there will be financial implications to the States with regard to the establishment of an Office of Fair Trading should this proposition be approved. However the exact nature of these costs is difficult to quantify given the uncertain nature of the structure of any such Office. The financial implication of restructuring existing reporting lines for departments is negligible, however should services beyond those currently offered by those departments be envisaged, or should a physical amalgamation of these separate departments be envisaged, there will be costs to the States, that are unquantifiable at this time.