

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 19th FEBRUARY 2013**

Question

Is the Chief Minister aware, as highlighted in the Action Aid report 'Sweet Nothings' on the structure of Associated British Foods, of the use of a 'Coöperatief' (a peculiar legal entity previously used mainly by Dutch farmers' cooperatives) by tax-planning accountants and lawyers since 2007 to market a raft of tax schemes using Dutch 'co-ops' solely as a conduit to avoid taxes on dividends, and, if so, does he agree that such methods should have no part to play in Jersey's financial services offering to global companies seeking to structure their tax liabilities?

Answer

There is no evidence that Jersey financial services are promoting schemes that involve the use of a Dutch 'Coöperatief'. There is also no evidence that in general the use of the 'Coöperatief' is not entirely legitimate and non-controversial. If however the vehicle is being abused it is to be expected that the Dutch authorities will take action to deal with this.

On the basis of the one case mentioned in the Action Aid report, with which it is said a Jersey subsidiary of Associated British Foods is linked, it is not considered possible to draw any objective conclusions as to what part it would be reasonable or unreasonable for Jersey financial services to play in schemes involving the use of the Dutch 'Coöperatief'. However, as has been said on numerous occasions, we would expect the financial community always to have regard for the effect on their, and the Island's reputation, when deciding on which financial services to offer their global corporate or individual customers.