

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY T.M. PITMAN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 25th SEPTEMBER 2012**

Question

Given the rapidly changing economic climate and growing international opposition to offshore financial centres or 'tax havens' will the Minister advise whether the Treasury has estimated the impact, in terms of negative equity, of a collapse or relocation elsewhere of the finance industry and, if so, would be provide details for members?

Answer

No. Whilst never complacent, the Minister is confident our financial services industry can and will continue to share in market opportunities presented by the growth in worldwide demand for financial services. The significant benefit the City of London, and thereby the UK and European economies, gains from Jersey's financial services activities should continue to be recognised and therefore is likely to continue to be supported by this UK Government as it was with the previous one. However, financial services in both the UK and the EU continue to undergo major structural regulatory reforms together with increasing competition from other global centres such as those in Asia, Latin America and the Gulf. Ministers continue to understand, research and identify opportunities including how technology will change these industries and secure opportunities for Jersey building on our strengths of stability, trust, quality and innovation.

When the G20 and other international bodies express concerns about "tax havens" those concerns are for what is described generally as non-cooperation in complying with the relevant international standards. Jersey has no reason to fear action being taken against non-cooperative jurisdictions because we are internationally recognised as a jurisdiction that has a high standard of compliance with the international standards for financial regulation, anti-money laundering and transparency and exchange of information for tax purposes. The recent report on financial services highlighted on page 69 of this week's Economist states that contrary to conventional wisdom, providers such as Jersey "were much more likely to comply with the standards than those from the OECD, a club of mostly rich countries."

The Minister will concentrate on giving support to the finance industry, from which residents benefit greatly, in its development of existing and new markets and products. He will also work to further enhance Jersey's reputation internationally as a cooperative, high quality international finance centre. In doing so the Minister trusts he will have the full support of all States members.

In addition to all of this work, to ensure that Jersey diversifies its economy, significant effort is being applied to developing Jersey's digital economy, which will be complementary to ensuring new financial services business in Jersey's economy.