

**2.12 Deputy G.P. Southern to the Minister for Treasury and Resources regarding why the Jersey Financial Services Commission will no longer need to know the beneficial owners of the proposed Jersey Incorporated Investment Companies under the new 0/10 proposals:**

**Deputy G.P. Southern:**

Could I seek clarification from the Chair, Sir? I understand that the question as phrased makes no sense. I ask about Foreign Incorporated Investment Companies when I should be asking about Jersey Incorporated Investment Companies. Will you allow me to change that single word in the question, Sir? Otherwise I will just be asking it as a supplementary.

**The Bailiff:**

I am sorry. What do you want to change?

**Deputy G.P. Southern**

“Foreign Incorporated” to “Jersey Incorporated”.

**The Bailiff:**

I am sure that will make life easier for the Minister.

**Deputy G.P. Southern:**

Would the Minister inform Members why the Jersey Financial Services Commission will no longer need to know the beneficial owners of the proposed Jersey Incorporated Investment Companies under the new 0/10 proposals?

**Senator T.A. Le Sueur:**

In a way, the question is better phrased in its original form because it relates to the provision of services to customers around the world which, at the current time, have a predilection for using companies in the BVI (British Virgin Islands) or elsewhere rather than Jersey companies. The intention behind the recently published proposals is for local professionals to be encouraged to use companies incorporated in Jersey rather than their current desire to use those in other locations. The reason that they used companies incorporated elsewhere in the past has been the speed of incorporation and if we can match that speed of incorporation, then I believe that the Island has a great potential here to do further business. To achieve that what we will need to do is to have a way in which incorporation can be achieved with the beneficial ownership being a matter for the service providers through the ‘Know Your Clients’ procedures rather than the need for complicated arrangements with the control of Income Tax prior to incorporation. So, in future, there will be proposals that the responsibility will be within the in-house providers of these companies who would, of course, be accountable to the Financial Services Commission through their regular reviews.

**2.12.1 Deputy G.P. Southern:**

Can the Minister say whether this may prove a hindrance for his 'Look-Through' proposals or for any anti-tax avoidance or money laundering measures?

**Senator T.A Le Sueur:**

These proposals need to be considered in conjunction with anti-avoidance measures in terms of local providers and I believe that this, in fact, will be a far better system. At the present time, when people use companies incorporated in places like BVI there is no requirement for any authority in the BVI to know the ownership behind a company. In Jersey we have the requirement that the service providers have to know and be accountable to the Financial Services Commission for their client's activities. I believe that encouraging people to use a reputable jurisdiction like Jersey would only enhance our future position.