

**WRITTEN QUESTION TO THE CHIEF MINISTER  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 26th APRIL 2016**

**Question**

Further to the Chief Minister's response to question 9374 during the States sitting of 12th April 2016, what action, if any, has been taken by the Jersey Financial Services Commission in line with his assurance that "appropriate action and investigation will be undertaken by the appropriate authorities" in response to the disclosures made in the Panama papers in relation to Jersey's activities?

**Answer**

Since the publication of the Panama Papers, as members would expect, the Jersey Financial Services Commission (JFSC) has reviewed and risk assessed any impact of the Papers on Jersey. In comparison with other jurisdictions referred to in the Papers, Jersey has a more developed regulatory environment with well documented beneficial ownership requirements.

The JFSC has outlined publicly how the register of beneficial ownership is operated and how our existing regulatory obligations ensure regulated firms identify and assess regularly who they are dealing with, and the business purposes of their clientele.

The JFSC has sought relevant information from regulated firms on any connections they can identify with Mossack Fonseca, or with any material published through the Panama Papers.

The Commission has also visited the Mossack Fonseca office in Jersey to verify that the firm's current status here as an unregulated business remains a true reflection of the activity being conducted in the Island. This has been shown to be the case.

There is a high level of awareness in regulated firms of the issues raised by the Panama Papers. This has been borne out by the speed of self-reporting of any relevant connections and demonstrates firms' high level of sensitivity to financial crime exposure and reputational risk for the Island.

It is not possible to discuss specific cases in this forum, but the JFSC is evaluating each reported incidence for any potential conduct of business concerns; suspicion of exposures to financial crime (including tax evasion as envisaged by Jersey Proceeds of Crime Legislation) or other potential problems. It should be noted that mention of Jersey among the Panama material is not automatically an indication of any misconduct by the named Jersey entities.

This case by case review has revealed no significant concerns of inappropriate conduct by Jersey financial services practitioners. However, each case will continue to be monitored and can be reviewed if any further information emerges.

The JFSC is keeping under review the need to ask industry for further database interrogation and research for any, as yet unidentified, connections to the Panama Papers. The proportionality of such an exercise must be considered in the light of the currently low level of Jersey exposures arising from the Panama material.

The JFSC believes this current process is thorough in the circumstances and stands comparison with what is known to be being adopted by counterpart regulators elsewhere.