

**WRITTEN QUESTION TO THE CHIEF MINISTER  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 24TH MAY 2016**

**Question**

What timescale, if any, was agreed by participants at the recent UK Anti-Corruption Summit for the UK to produce a public register of beneficial ownership of companies and what degree of co-operation was offered by the Chief Minister to the UK Prime Minister towards the establishment of such a register?

What measures does the Minister plan to introduce arising from the UK Anti-Corruption Summit to reduce tax avoidance and evasion; and what assessment he has made of whether tax avoidance and evasion can be eliminated without introducing a public register of beneficial ownership?

**Answer**

There was no need for either of the steps referred to in the first paragraph of the question because by the time of the Anti-Corruption Summit the UK already had provided for a public register of beneficial ownership of companies. The UK enacted in 2015 the Small Business, Enterprise and Employment Act Section 81 of which introduced a public register of people with significant control of companies (the PSC register). The register came into force from 6 April 2016 and from 30 June 2016 companies annual returns will be required to contain beneficial ownership information.

Turning to the second paragraph of the question, ahead of the Summit Jersey confirmed its willingness to join the list of jurisdictions that have committed to the recently launched initiative for the development and subsequent implementation of a new global standard for the exchange of beneficial ownership information. In addition, through our attendance at the Summit, Jersey was a party to the Communique issued at the conclusion of the Summit. This noted the initiative for the automatic exchange of beneficial ownership information and asked the FATF, the OECD and the Global forum on Transparency and Exchange of Information for Tax Purposes to develop initial proposals on ways to improve the implementation of the international standards on transparency, including on the availability of beneficial ownership and its international exchange. The Communique states that this will help tax and law enforcement authorities track the complex offshore trails used by criminals.

Jersey has offered to join in the work on the development of the new standard, and in accordance with our policy to-date will join in the implementation of the international standard when it is formulated by the international standard setters and has global acceptance. As with the Common Reporting Standard on automatic exchange of information, of which Jersey was one of the "early adopters", it is believed that the best way to assist in the elimination of all financial crime, of which tax evasion is one element, and aggressive tax avoidance is for law enforcement and tax authorities to have accurate, adequate and current information and this is best achieved through the automatic exchange of information with those authorities. The Summit Communique calls for action to ensure accurate and timely beneficial ownership information is collected, available and fully accessible to those who have a legitimate interest in it. In recognising the need for mechanisms to be put in place to ensure that law enforcement and other competent authorities, including tax authorities, have full and effective access to accurate and up-to-date information the Communique simply says "it may include establishing public central registers".

Jersey is already in a leading position in meeting the Summit's objectives. The OECD Secretary General spoke of the "exemplary delivery" of the Crown Dependencies in the steps they have taken so far. The UK Chancellor in a letter to me ahead of the Summit referred to Jersey's lead on global transparency and how this had been influential in helping achieve rapid global uptake of the international standards on global tax transparency. The Minister for the Cabinet Office in answering a question in the House of Commons on the 9<sup>th</sup> May referred to the Crown Dependencies being well ahead of many other similar jurisdictions and that this represents a significant step forward in the ability to counter criminal activity.

The Communique called on all countries to regulate and effectively supervise trust and company service providers and support the promotion of global industry best practice in this sector to underpin full and consistent implementation of FATF standards globally. Jersey is a recognised leader in this field having regulated trust and company service providers for some fifteen years. Combined with a validated central register of beneficial ownership Jersey is able to assist law enforcement and tax authorities in the fight against financial crime and aggressive tax avoidance in a way that most if not all other jurisdictions have yet to emulate and this, combined with the proposed international standard on the automatic exchange of beneficial ownership information, will be of much greater value to those authorities in providing them with more accurate, adequate and timely information than would be provided by a public register.