

4.16 Deputy M. Tadier of the Chief Minister regarding action undertaken to assess whether Jersey's limited involvement in Associated British Foods avoidance of tax via subsidiaries based in the Island constituted 'aggressive tax avoidance':

Further to the response given to a written question on 19th February 2013, regarding the Action Aid report *Sweet Nothings* concerning Associated British Foods' avoidance of paying taxes to Zambia via subsidiaries based in Jersey, what action, if any, has been undertaken to assess whether Jersey's limited involvement in this case constituted "aggressive tax avoidance"?

Senator I.J. Gorst (The Chief Minister):

As was said in February, the Jersey company involved has ceased to be active for some time. For this reason no action has been taken to assess whether Jersey's past limited involvement in this case constituted aggressive tax avoidance. Furthermore, Associated British Foods issued a statement strongly denying that it is engaged in aggressive tax planning. However, action has continued to be taken to support jurisdictions such as Zambia in building up their own defences against harmful tax measures including aggressive tax avoidance. Jersey has agreed to join the O.E.C.D. multilateral convention on mutual and administrative assistance in tax matters and has offered to join with the African tax administration forum and others in providing technical assistance to developing countries.

4.16.1 Deputy M. Tadier:

The involvement of Barclays Trust in this in Jersey may not have been an aggressive tax avoidance measure at all. It may have been perfectly legitimate. But, does the Chief Minister acknowledge that this does have reputational damage for the Island? Does he acknowledge that this *Sweet Nothings* report has had reputational damage for the Island?

Senator I.J. Gorst:

Negative publicity, publicity which is not based upon fact, supposition and such like can indeed have negative implications for Jersey which is why I made the comments I did with regard to some of the comments that Members of this Assembly have made in recent days. However, it must be remembered what the sugar company's response was with regard to the factual accuracy of this report.

4.16.2 Deputy M. Tadier:

Presumably it is not for the Chief Minister to act as a spokesperson for the sugar company. However, he has implied in his statement that the Action Aid report was not based on fact, yet having read it, all 48 pages, it seems to me that very much research was done in there. So, can the Minister confirm which parts of the Action Aid report was fictitious?

[11:30]

Senator I.J. Gorst:

I am not an apologist for the sugar company, as I am sure the Deputy is not an apologist for Action Aid, Tax Justice Network or any other N.G.O. (non-governmental organisation) in this Assembly. If I simply read the statement that the sugar company themselves, who one would expect would know their own business, would make declarations in the relevant jurisdictions, would pay taxes in the relevant jurisdictions at the relevant rates, denies emphatically that it is engaged in anything illegal, immoral or in any way designed to reduce the tax rightly payable to the Zambian Government.

Deputy M. Tadier:

Sir, a point of order. The Chief Minister refuses to answer the question. Again, I have asked a simple question. He said that reports which are not based on fact will ruin the reputation of

Jersey. But, will he tell me which part of the Action Aid report was fictitious or will he retract the statement?

Senator I.J. Gorst:

I simply reiterated what the sugar company has said in their correspondence and in their letter that parts of that report were factually incorrect.