



Economic and International Affairs Scrutiny Panel

Quarterly Hearing

Witness: The Minister for External Relations

Thursday, 6th March 2025

Panel:

Deputy M. Tadier of St. Brelade (Chair)

Deputy K.M. Wilson of St. Clement (Vice Chair)

Deputy M.B. Andrews of St. Helier North

Witnesses:

Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter, The Minister for External Relations

Deputy E. Millar of St John, St Lawrence and Trinity, Assistant Minister for External Relations (1)

Deputy M.R. Scott, Assistant Minister for External Relations (2)

Mr. T. Holvey, Chief Economic Adviser

Ms. K. Nutt, Chief Officer, External Relations

Mr. T. Le Feuvre - Director, External Relations

Ms. H. De La Cour - Director, Financial and Professional Services

Ms. N. Moylan, Assistant Comptroller for Revenue, International Tax

[13:37]

Deputy M. Tadier of St. Brelade (Chair):

Minister, thank you for coming to see us. I would like to open proceedings. This is obviously a public event. It is being live-streamed as we speak, so also welcome to those of the public who might be tuning in at the moment. This is the Economic and International Affairs Scrutiny Panel. We are pleased to have you with us today. I am going to introduce myself and I will let the panel introduce themselves. If we can just ask you in whatever order to go around your side in a moment. I am Deputy Montfort Tadier, the chair of this panel.

Deputy M.B. Andrews of St. Helier North:

My name is Max Andrews, a member of the panel.

Deputy K.M. Wilson of St. Clement (Vice-Chair):

Deputy Karen Wilson, vice-chair.

The Minister for External Relations:

I am Ian Gorst, Minister for External Relations, and I am joined by ...

Assistant Minister for External Relations (2):

Deputy Moz Scott, Assistant Minister for External Relations.

Assistant Minister for External Relations (1):

Deputy Elaine Millar, Assistant Minister for External Relations.

The Minister for External Relations:

We have officials across the various departments that I am responsible for.

Chief Officer, External Relations:

Kate Nutt, chief officer, External Relations.

Director, External Relations:

Tom Le Feuvre, director of External Relations.

Director, Financial and Professional Services:

Helen De La Cour, director, Financial and Professional Services.

Chief Economic Adviser:

Tom Holvey, chief economic adviser.

Assistant Comptroller for Revenue, International Tax:

Niamh Moylan, Assistant Comptroller for Revenue with responsibility for international tax.

Deputy M. Tadier:

Thank you. We will go in a moment. I am just going to make some opening remarks and then pass over to my colleague, Deputy Andrews, to ask the first questions. Minister, we know that we are in what you might euphemistically call some very interesting international times, but also quite worrying

events unfolding right across the world, some of which will no doubt have some implications for Jersey. There may well be questions also about indirect involvement that Jersey might have in some of these areas. I will just put that in the context, we are of course talking about things like what is happening in Ukraine, which is proliferated to having consequences in Europe and in the U.S. (United States). We are also going to be keen to ask some questions about Rwanda and potentially about the situation in the Middle East with Gaza and Israel. Just to give some context to that. But I will pass over to Deputy Andrews for the first specific questions we have for you.

Deputy M.B. Andrews:

Thank you very much, Chair, and thank you for being in attendance today, Minister. I just wanted to start off ... I want to go back to the letter that the panel received on 26th February where it was indicated that in relation to the Article ... I think it is 32 of the Sanctions and Asset-Freezing (Jersey) Law that there would be an amendment. Also there was reference to following the U.K. (United Kingdom). I just want to know the rationale behind this.

The Minister for External Relations:

I will not do opening remarks; I will probably filter those in as you are asking the questions, Chair, if that is all right. When it comes to sanctions, as you know, in the Jersey sanctions law there are preambulatory provisions, which means that we follow automatically U.K. sanctions. Therefore, when the U.K. has changed its legislation around directors that a sanctioned individual cannot be a director of a company. So in the U.K. that happens automatically. We have had to change our sanctions law to ensure that it can happen in an orderly way because it does not happen automatically in the Companies Law.

Deputy M.B. Andrews:

Obviously with Jersey we have got our States Assembly and we also have autonomy over the decisions that we make ourselves. Is there any area within the sanctions and asset-freezing legislation that you feel ought to be developed upon to improve Jersey's robustness when it comes down to those areas?

The Minister for External Relations:

We, as a matter of policy, follow international standards in many areas of how we operate as a jurisdiction, particularly when it comes to financial services. But in all sorts of other areas as well we seek to follow the very highest international standards. When it comes, of course, to other matters we remind ourselves that our constitutional position is that we are loyal to the British Crown. The British Crown now only operates under a constitutional monarchy through the United Kingdom Government. But we are a sub-sovereign and, as a matter of international law, the U.K. is responsible for both foreign policy and defence. No doubt those 2 issues are going to be weaved

into some of your questioning areas, if I understand the chair's opening position. But we must remind ourselves that our actions in those areas are limited by the fact that we are a sub-sovereign, and we are not responsible for those 2 areas domestically. It would be constitutionally inappropriate to think that we were.

Deputy M.B. Andrews:

Thank you for providing that response, Minister. But obviously there have been recent developments in the international system. We have seen the U.K. and the U.S. and Russia be in discussions in terms of what is happening at the moment in Ukraine. I just want to know whether there has been any change internationally from your perspective and also in terms of the communications that you have with the U.K. in regard to asset freezing and sanctions.

The Minister for External Relations:

The point I was making in response to your earlier answer remain for this, our constitutional relationship is with the Crown. To some extent other sovereign states can make decisions and change their position in any regard. But all of our constitutional position is that we are sub-sovereign of the United Kingdom and we have chosen in our legislation to follow U.K. sanctions because of our constitutional position. That does not mean that we do not speak to the U.K. Government. Several officials have been in London only this week, engaging directly with their counterparts in both the Home Office and F.C.D.O. (Foreign, Commonwealth and Development Office) around the sanctions regime, the implementation of the sanctions regime, and also, of course, what is going to happen in the future should we see peace in Ukraine. We are in conversation with the U.K. Government, but we work in lockstep with them and it is important that we can show that we work in lockstep with them so that we are not used by bad actors in an inappropriate way.

[13:45]

The geopolitics of all of these situations is changing and therefore we have to be able to respond and react nimbly.

Deputy M.B. Andrews:

Of course, Minister. And the U.K. has external sovereignty to a certain extent over the Channel Islands because we are a Bailiwick alongside the Isle of Man. But when something may arise, for instance, if you maybe disagree with the position that the U.K. are taking, how would you then go about that situation?

The Minister for External Relations:

So my purview is not foreign policy. My purview is really external relations, and there is a reason that we did not call the office when we created it the Foreign Office of Jersey, is because foreign policy is determined by the sovereign state. As a matter of international law, the U.K. is responsible for Jersey's foreign policy. We cannot get away from that. Of course we can have conversations with our counterparts in the U.K. and we do. Deputy Tadier knows that he lodged a proposition with the States that required me to take certain actions. I have taken those actions and I have communicated the views of the States Assembly in regard to the Gaza situation, prior to the ceasefire there, to various U.K. Government Ministers. I have spoken to U.K. Government Ministers, as have officials, on both of those occasions, in regard to the Ukraine crisis as well.

Deputy M. Tadier:

Can I interject that? To be fair, what happened with my proposition is that it was amended by yourself successfully so it effectively reflected the position of the U.K. anyway. You could say that Jersey's position ... we would like to tell you what Jersey's position is and it happens to reflect that of the U.K. But if there were a situation whereby Jersey took a different stance to that of the U.K. and we think back to the Iraq war, is that something which is within your remit and that you are comfortable of taking to the U.K. if there was a different position established locally?

The Minister for External Relations:

Well, of course I serve at the pleasure of the Assembly, as every Government Minister and Assistant Minister does. If the Assembly makes a decision or gives voice to a particular position or proposal, then that is ... if it is within my purview to communicate that to the U.K. I do. I am not only used to having to navigate tricky waters in regard to conversations with others, but we remind ourselves that we have not got to be overly confident of a decision that might be made in the Assembly in regard to a geopolitical issue and believe that us making a decision or talking about a decision will have any impact on it, particularly if it is done in a public way. Often more influence is won by doing things quietly and persuasively.

Deputy M.B. Andrews:

Also the panel notes that the Sanctions and Asset-Freezing Order of 2025 is now in place. I just wanted to understand what is the rationale behind this order being brought forward.

The Minister for External Relations:

Can you just remind me which order?

Deputy M.B. Andrews:

Yes, so the Sanctions and Asset-Freezing (Implementation of External Sanctions - Director Disqualification) (Jersey) Amendment Order 2025.

The Minister for External Relations:

Well, I think I just explained that to you in answer to the question, that it is to bring ... there was previously, as the U.K. made its change, Jersey needed to make this amendment to its legislation otherwise directors by accident would be in breach of a piece of sanctions requirement, and that is why we amended it.

Deputy M. Tadier:

Minister, can I bring this into a slightly wider context? You may have seen that I have submitted a written question for you, but I would be pleased if we could maybe touch on it today in this public hearing. The written question itself will not necessarily be very publicly circulated. We are seeing talk in Europe now about the potential for frozen Russian assets being used in some form or another potentially to continue to fund military aid to Ukraine. Does that have any implication for Jersey in terms of Jersey having to potentially make either some of the ... I presume its interest from those frozen assets available to the Ukraine or to others?

The Minister for External Relations:

Well, firstly, we have got to be mindful of what others have done, which is not necessarily quite what has been understood to have been done. Then, secondly, we will, to my mind, continue to follow what the U.K. does. If the U.K. changes its position, then of course that will have implications for us. What we saw the Europeans do initially was take the interests that have been gained on the national assets that were in the Euroclear system and use that for reconstruction. What we have seen the U.K. do is also take income earned on those national assets, so not individuals' assets. Jersey is not in that position, of course. The sanctions that we have implemented here are around individuals and companies and not national assets in that way because we do not have those payment systems or clearing systems in our system. As I say, the conversation that you refer to is not actually new, it just comes back to the forefront again as people are thinking about peace in Ukraine. We will follow the U.K. As I indicated earlier, officials are already starting to have those conversations because if sanctions regimes are a follow-up policy tool, and they are, they freeze the asset at that point in time because of the connection to a country that a particular state wants to stop economic substance or activity going to then as peace comes, you would expect that foreign policy tool to be lifted or part of peace negotiations. Those assets have always remained in the ownership of those individuals that have changed ownership when it comes to the sanctioned assets.

Deputy M. Tadier:

No, that is understood. What happens to the interest then in Jersey that might be gained from any of those frozen assets?

The Minister for External Relations:

Well, that is just happening in the ... so this is where it gets a little bit complicated. That just remains within those assets. So the bank account remains having interest applied to it. A trust remains - if it has investments under it - growing. There, of course, remains on those who are, let us say, trustees that fiduciary responsibility to act appropriately. That is why one of the jobs of the department is handling licences where either individuals or companies have asked to do various things within those freezing orders or simply to pay fees. For example, rates have to be paid, professional fees have to be paid. They have to have licences to do all of that.

Deputy M. Tadier:

Just to clarify, can you confirm that there are no national assets - Russian assets - that are held in Jersey?

The Minister for External Relations:

Not as far as I am aware, but this all falls under Tom's purview. And I can see they are eager to interject.

Deputy M. Tadier:

If you could answer how we know that, how we can be sure of that?

Director, External Relations:

Yes. So the Minister has made, I think, quite a clear and helpful distinction between state assets, so Russian state assets or national assets, and those are private individuals. As you know, the U.K. policy proposal is around state assets. What we have in Jersey is we do have a specific legal obligation to report frozen state assets to the Minister. The Minister would receive reports on that through the Financial Sanctions Implementation Unit, which is part of the Ministry of External Relations. To date, no such assets have been identified and reported and no such funds have been identified through other means. To the best of our knowledge, we are not aware of there being any frozen Russian state assets in Jersey.

Deputy K.M. Wilson:

Is it possible that there would ever be any national assets in Jersey?

Director, External Relations:

We have had this regime in place now for several years and we do have a very high level of compliance with reporting on the part of our - rightly so - financial institutions. Because we have had since that time that legal obligation where those institutions would be required to file a report with us if they held any Russian state assets, and they have not. I think that that tells us that it has

not been on our book. It is not something that we have typically done. Generally speaking, it tends to be in different types of economies. You will see from public reporting, it tends to be in financial centres with large institutional banks. There are a number of European countries that do have very significant holdings of Russian state assets, but that is not something that we have received any information about in Jersey.

Deputy M. Tadier:

Is there a grey area between what is classed as a private asset and a state asset in Russia?

Director, External Relations:

State assets will have a specific definition. We have that legal obligation in our law. We can look to that, to how it is defined within our law. I think if your question is a more political one, in a country like Russia is it possible ... are there sometimes grey areas between individuals and the state? That is a complicated topic but, for the purpose of the law and how we define those state assets, that is clear.

The Minister for External Relations:

Yes, I think it is important to make the ... you may make the political point is there a grey area between the relationship between holders of private assets and their relationship to the Government and how they got those private assets? Many books and court cases have been litigated on that, but in our law it is quite clear.

Deputy M. Tadier:

Correct.

The Minister for External Relations:

As I say, to the best of my knowledge, no state assets have been reported to me which they would have to be frozen.

Assistant Minister for External Relations (1):

I think it would be very unlikely because even if you had something like a sovereign wealth fund. So it could be that our countries have sovereign wealth funds, which they invest internationally, even if you had a fund which was structured here, I would have thought the likelihood of the assets will be of such scale the assets themselves will not be in Jersey. The fund structure may be here, but the actual assets might be a shopping centre in Paris or a castle in Scotland. They could be anything. But I would have thought it is unlikely to have assets here other than simple bank accounts.

Deputy M. Tadier:

If there are fund structures, do you think there is a possibility that there are fund structures in Jersey, which ...

Assistant Minister for External Relations (1):

No, I am just drawing that as an example.

The Minister for External Relations:

What were you going to ask?

Deputy M. Tadier:

I was going to ask in terms of Russian state assets, whether there are any of ...

The Minister for External Relations:

No.

Assistant Minister for External Relations (1):

No, we would know.

The Minister for External Relations:

We would know because we know ...

Deputy M. Tadier:

I am just clarifying, thank you.

The Minister for External Relations:

No, because we know that there are state assets of other states.

Deputy M. Tadier:

Thank you. I think you have clarified that point for us. I think we will move on to the next section, if you are happy with that, Deputy Andrews. The panel has previously questioned the levers that are available to the States of Jersey in influencing overseas conflicts. For further understanding, could you please outline what actions the Island - the Government of Jersey and the States of Jersey - might undertake in this regard? I think what we are looking at here, just for context, is we are moving on to the situation on the border between Rwanda and the D.R.C. (Democratic Republic of Congo), in that context. Do you want me to restate the question or ...?

The Minister for External Relations:

I would just like you to explain what you mean by what levers are available?

Deputy M. Tadier:

I will maybe restate the question in a different way.

The Minister for External Relations:

That would be helpful, yes.

Deputy M. Tadier:

One area of conflict that is occurring we know is between the Democratic Republic of Congo and the armed group M23, which it is widely understood that the M23 is receiving direct support from the Rwandan Government and military. We know that there has also been a condemnation from the U.N. (United Nations) Security Council about that incursion into D.R.C. Could you talk to us about whether the relationship that Jersey has with Rwanda is changing as a consequence of what we are seeing out there at the moment?

[14:00]

The Minister for External Relations:

Of course their starting point is that the U.K. is responsible for Jersey's foreign relationships. We have a framework agreement which allows us to go out and develop our own international personality, which we have been doing over the years. The U.K. has made it clear to Rwanda that it believes that Rwanda should seek diplomatic resolution to issues which Rwanda says are around security and not military actions. It has taken several decisions. We know that the Foreign Secretary has met with President Kagame and they have ceased high-level events hosted by the Government of Rwanda. They have limited trade promotion activity with Rwanda. They have paused direct bilateral financial aid to the Government of Rwanda. But interestingly, from our perspective, of course not the sort of aid delivered through N.G.O.s (non-governmental organisation) to the very poorest in Rwanda, which is the aid that we in Jersey do through J.O.A. (Jersey Overseas Aid). They are, in their own words, co-ordinating with partners on potential new sanctions designations. They have suspended future defence training assistance to Rwanda and they are reviewing export licences for their Rwanda Defence Force. Jersey's position is that we are supportive obviously of the U.K.'s position in this regard.

Deputy M. Tadier:

To take it back one step, can you talk to us about what, in terms of maybe financial services that are provided or being promoted between Jersey and Rwanda, is the relationship in that regard?

The Minister for External Relations:

As you know, there have been a number of areas of capacity building in the relationship between Jersey and Rwanda. One has been the private sector support for their development as a finance centre in Kigali. That is very much about building capacity and supporting themselves to develop to become a finance centre for that region. We have also had private sector work around supporting the movement of Rwandans who might want to come and work in Jersey's finance sector. We have the M.O.U. (Memorandum of Understanding), which is largely built around cultural relationships; this relationship about developing a bilateral investment treaty and private sector trade relationships.

Deputy M. Tadier:

Do we know whether any wealth from Rwanda is being managed or kept in Jersey? Is that something that is being offered?

The Minister for External Relations:

I just have to be careful how I say this because of course I am party to information from the J.F.S.C. (Jersey Financial Services Commission). There are funds from Rwanda in Jersey. There are structures in D.R.C. ... sorry. There are structures in Jersey that operate in D.R.C., in mining. The Jersey structures that operate in Rwanda are ... I think we can probably describe as minimalist, very small amounts of money either flowing or held in Jersey.

Deputy M. Tadier:

You mentioned mining. One of the concerns that has been raised at an international level is that the M23, backed by Rwanda, have taken over mines on the eastern side of the D.R.C. and, of course, very profitable mines. I have heard figures around about 800,000 dollars a day from what is mined there and that all ends up going back to Rwanda, even though they are D.R.C. mines. Is that something which, first of all, is of concern to you, Minister? Is it something that you would wish to make sure that Jersey does not have any indirect or direct part in?

The Minister for External Relations:

Well, of course we would not want any Jersey company to be operating illegally in any area or to be involved in military action. This is why we have come before you and talked about the work of the MONEYVAL assessment, about how we comply. When we come to briefings, as we did with you months ago, it seems boring and technical, but it is not actually boring and technical when you get into geopolitically difficult parts of the world. But it is fundamentally why it is important that we, in Jersey and any Jersey company or any institution structured through Jersey, meets the very highest international standards.

Deputy M. Tadier:

I guess the issue here is that once the minerals assets and profit is in Rwanda, it is then legitimate as part of the legitimate Rwandan economy. It is a case of how it gets to Rwanda. Even if it is legal, there are definitely ethical questions about the appropriation of those mines for Rwandan benefit. Is that perhaps something that we need to be mindful in our wider relationship with Rwanda?

The Minister for External Relations:

We are always very careful to think about how we are perceived and our own reputation, and we are always very careful to communicate that to institutions that use Jersey, that they are also mindful of their reputation. There are no international sanctions or U.K. sanctions currently in place on any of these companies operating mining ventures connected to Jersey in the D.R.C. If the U.K. did ... as I said, they have been looking at sanctions designations, if they were to do so then of course we would follow.

Deputy M.B. Andrews:

Can I just ask: has there been any representation from any stakeholders in the industry to yourself about the concerns that is obviously ongoing in Rwanda and Congo?

The Minister for External Relations:

The mining companies that are Jersey structured mining companies are operating in D.R.C., not Rwanda. I have not been approached. I am not sure that ... and we would expect to be because it would be usual that if there were issues they would, in the first instance, probably contact the regulator. We have been in touch with the regulator. We are not aware that there has been any contact, but we equally say it is an evolving ongoing situation.

Deputy M. Tadier:

Just to clarify - sorry to cut in - we know that the mines are in D.R.C. It is a question of who is operating the mines and who is benefiting from the profitability of those mines. Can you assure us that any mines that are registered or using Jersey structures are not being misappropriated by Rwandans who are then keeping that money in Jersey?

The Minister for External Relations:

You are asking me to say is there any crime in the world? Can I be assured that there is no crime happening in the world? Of course I cannot. What I can be assured of, which is back to the point that is critically important, that if those Jersey headquartered structures or mining companies are operating in an illegal manner, they would be breaching their obligations in Jersey under Jersey law, and they would be dealt with appropriately by the Attorney General.

Deputy M. Tadier:

I think maybe we are on the fine line between legality and ethics here. But if I can just finish this line of questioning - I will hand over to Deputy Wilson in a moment - is that I noticed that in spring, I think it was, of 2024 you signed a renewed or strengthened diplomatic M.O.U. with Rwanda. We already knew that the M23 incursion into D.R.C. was well underway by that point. Were you uneasy about that decision to renew an M.O.U.? Do you have any regrets about maybe the relationship that Jersey has entered into with Rwanda?

The Minister for External Relations:

Of course Jersey has had a longstanding relationship with Rwanda. It comes back to that point that before we enter into relationships with countries and develop either M.O.U.s or bilateral investment treaties or double taxation agreements, of course we liaise with the U.K. Foreign Office every time we have a country visit. Then we also liaise and speak to and get an understanding of the situation on the ground from the F.C.D.O. as well. At the point that we entered into the new strengthened M.O.U., there was no indication that there was any objection to doing so. We have continued to engage with F.C.D.O. on these matters as well.

Deputy K.M. Wilson:

There was just one thing: can you just confirm, do you have complete clarity and transparency around the structures within which companies operating in D.R.C. and Rwanda are able to conduct their business ... issues about transparency?

The Minister for External Relations:

In what regard, sorry?

Deputy K.M. Wilson:

In terms of you have talked about a number of licences and registrations and whatever. Are you confident that the transparency around those registers and those licences is complete or are there any issues there?

The Minister for External Relations:

As I sit here, I am not aware of any issues where they are not compliant with legislation or requirements of the J.F.S.C. Of course, this information is held by the J.F.S.C. This is not Government-held information. It is regulatory-held information and they have not given any indication to me of anything other than being satisfied. We have been in touch with them as recently as this morning in advance of the hearings.

Director, Financial and Professional Services:

Any changes to any ownership structure, wherever it is in the world, will have to be reported within 21 days of a change otherwise the regulated entities here in Jersey will find themselves in breach of the legislation and subject to sanctions here. I think we can be satisfied MONEYVAL has assessed our own beneficial ownership regime; highly regarded and respected around the world. So I do not have any concerns that we do not have that information to hand. In fact, when we have seen other regimes and the need to draw on that information from the company registry, we have been able to do that very, very quickly.

Deputy K.M. Wilson:

I am going to move on to relationships with France now, if I can, Minister. In July 2024, at a hearing in 2024, you talked to us about the importance of engagement with our French neighbours and the prioritisation that you were attaching to relationships with France and also with the U.K.. Clearly over the last couple of months there have been some situations which have tested that relationship. One obviously that springs to mind is the ferry tender. Can you provide an update on any work that you have undertaken to maintain cordial relationships with the local French regions following the unsuccessful tender of Brittany Ferries in the ferry service procurement?

The Minister for External Relations:

I think we answered a written question on this; is it in the public domain now?

Deputy K.M. Wilson:

I am not sure, we would need to check.

The Minister for External Relations:

I think it is. The situation has not changed much since we answered that written question other than I think since then we have hosted a European diplomatic event in London and a political attaché attended that from the French Embassy. I have met with my Guernsey counterpart, with the Perm Rep to the European Union in Brussels. That was last week or the week before. I lose track of it. We have continued that face-to-face engagement and it has remained positive.

Deputy K.M. Wilson:

Can you tell us what that positive engagement entails in terms of is everybody nice to one another or is there any progress made in terms of the situation around the ferries?

[14:15]

The Minister for External Relations:

Diplomatic engagement is normally polite, counter to what we might have seen elsewhere in recent days. That is more outside of the norm. We have spoken to them about a range of issues from cultural engagement to border issues, but also about the U.K. proposed reset and what that will mean for our relationship, which may start to remove some of the friction that we have experienced post Brexit. Things like the S.P.S. (sanitary and phytosanitary), hopefully border posts, things like a veterinary agreement, things like reasonability, things like energy co-operation. But Kate is just going to ...

Chief Officer, External Relations:

I was also just going to mention we have, in respect of regions, partnership agreements with Normandy. Those agreements cover a variety of co-operation areas. We are actually due to host the Normandy Summit this September, I think, as well here in Jersey. We engage both nationally in Paris, but also very frequently with regional counterparts because of course we have our joint office as well, our joint Guernsey office, in Caen. They are active every day engaging with colleagues.

Deputy K.M. Wilson:

There is a suggestion that relationships are still very cool and that as a consequence of the tender process that the regions themselves are disappointed by the outcome. Have you got any comment on that at all?

The Minister for External Relations:

I think it is fair to say that we had conversations with the regions prior to or during the tender ferry process. Of course they would have, as they made clear to us, preferred us to continue with a French operator but they recognise that we had a process and that process would deliver the end result that it has done.

Deputy M. Tadier:

They did not really recognise it. I mean, they took the Minister to court, did they not? They got an initial stay.

The Minister for External Relations:

I am only telling you what they told me, Chair.

Deputy M. Tadier:

I do not think they were happy with the process, shall we say.

The Minister for External Relations:

I am not trying to second guess. The Deputy asked me about regional relationships, not the view of Brittany Ferries and the action that they took against the Minister, which was of course thrown out.

Deputy M. Tadier:

Do you mind if I just interrupt? You are lucky that you have with one of your Assistant Ministers - I look over to Deputy Scott - is that obviously she wears 2 different hats. She is an Assistant Minister for you, but also with Economic Development. Would it be okay to ask ...

The Minister for External Relations:

I am very lucky with both my Assistant Ministers, not just one of them.

Deputy M. Tadier:

In this regard, I am talking about ...

The Minister for External Relations:

All of them actually, the one that is not here as well.

Deputy M. Tadier:

We will take that as read. There will be hopefully another occasion in a moment to flatter Deputy Millar, and yourself, Minister. Would you mind if I were to put a question directly to Deputy Scott? Do you think that there has been damage to the relationship between Jersey and Brittany, in particular, at regional level from the way that the ferry tender was handled? Do you think that could have been avoided? If so, have lessons been learned, do you think, in terms of maybe a wider Government approach between how we deal with, I suppose, Guernsey and Brittany in terms of decisions that ultimately affect 3 regions?

Assistant Minister for External Relations (2):

I think we need to be clear about what the role of the Assistant Minister is. It very much depends on the mandate given them by the Minister responsible. I have not been involved in the ferry negotiations and, from what was reported at the States Assembly, I do not believe any other States Member was at an initial stage other than a Back-Bencher at the time, that was Deputy Luce. I think in terms of whether you are asking me have I seen any evidence of a deterioration in relationship, I have not. It is not within my portfolio. I have not been aware of any. I am not that involved in any discussions with the Brittany authorities whatsoever, so I will have to pass that back to the Minister insofar as whether he is aware of anything.

Deputy M. Tadier:

I think we have taken a position is that Brittany is a region. Certainly the official line is that they accept that Jersey has the competence to make its own decisions and that, while Brittany Ferries might not be happy, the region is separate. Is that the case, Minister? Is that a fair summary?

The Minister for External Relations:

Yes, we, in External Relations, might advise our political counterparts across the Council of Ministers' table to think about not just the single issue in front of you, but in this case the really important relationship with France, which was difficult through Brexit, have got on to an even keel and was much more positive. Then, of course, it is apparent to all of us that this then adds another bit of friction into that relationship. We, particularly my officials, have worked incredibly hard in engagement both at the Saint-Malo port where having to think about ramps and all of that and timetabling and getting that in in time. Also with officials in Ille-et-Vilaine and Brittany. They have worked incredibly hard to try and maintain a positive relationship through what was inevitably changing from a ferry provider, which is a French ferry provider, but the investors behind the ferry provider are not just regional individuals and farmers, but also regional authorities. So it was going to be challenging and we have worked hard to keep it as smooth as possible.

Deputy M.B. Andrews:

Can I just ask Minister, obviously there has been much emphasis with Deputy Morel and his involvement in the ferry tender process, but insofar as your involvement in the ferry tender process, could you just elucidate the panel on the extent of your involvement?

The Minister for External Relations:

Of course I was not a decision-making ... the decision-maker was the Minister for Sustainable Economic Development. I suppose I advised and was pulled into meetings because of this relationship element and the implications of that. My advice was really largely around that, other than I have been around a long time so sometimes they asked me for my experience, you might say.

Assistant Minister for External Relations (2):

Might I add something to this? I think it might be fair to say that the Minister did give advice on consequences - potential consequences - but it has to be clear that what was in the tender document and whether there was anything in there that said ... put any value on the relationship, that is totally down to the Minister for Sustainable Economic Development. I do not know whether the Minister can say whether because it was a process set off by the previous Council of Ministers, and whether there was any involvement by Council of Ministers in terms of the values that were in the tender document.

Deputy K.M. Wilson:

That is one of the following questions I would like to ask in terms of given that relationships have necessitated, through the procurement process, your involvement in this scenario, from an External Relations perspective, have you uncovered any unintended consequences or any other particular issues that will affect relationships with France going forward, particularly around this scenario?

The Minister for External Relations:

Of course, it is difficult because we have changed from one ferry provider to another and I have just outlined to you the links between the region and the previous ferry provider and the links between the region and therefore the Saint-Malo Port Authority. Looking at the situation from a logical perspective, you recognise that there is a need to think about the wider relationship and to explain and talk to those wider interlocutors about why a choice has been made, but also about the benefits. The Minister for Sustainable Economic Development, I think if he were here, also believes that the provision of DFDS, which is an extremely large ferry company, can bring benefits ... as it can bring to Jersey, can also bring benefits to the Port of Saint-Malo.

Deputy K.M. Wilson:

Again, I just want to press on this issue around relationships and value. We are hearing that as a consequence there seems to be a feeling of a lack of respect for the relationship that Jersey has with Brittany. I wondered whether you could just address that point.

The Minister for External Relations:

That is not something that has been articulated to me directly. I am not sure that it has to officials. My officials are ... I do not know if they are in daily contact with the Port of Saint-Malo but they are in pretty frequent contact. You know that there is now a hot desk in in the Port of Saint-Malo as well. It would not surprise me that at the point people felt frustrated and would like to have seen another outcome. That was the advice I was giving to Ministerial colleagues, that that would be the outcome and that it would not be straightforward. But, as I say, we have continued to engage with French counterparts even in Brussels at the very highest level. In that meeting, the ferry issue was not raised with many other bilateral issues and issues of mutual interest.

Deputy K.M. Wilson:

Okay, thank you very much.

Assistant Minister for External Relations (1):

I think it would be a mistake to think that the Minister for Sustainable Economic Development was not absolutely cognisant of relationship issues because he absolutely was, because he has spent a lot of time ... sorry, I am speaking for him. My observation is that he has spent a lot of time in building

relationships with Brittany, Normandy and France generally, and he holds those relationships in very high regard, is my observation; everything I have seen and heard him say. I am sure the relationship was very much at the forefront of his mind, as it was with all of us, in these discussions.

The Minister for External Relations:

I understand that you will be having a hearing and he will be able to tell you himself that he has had direct contact with the President of Brittany and he has had telephone conversations with them because he recognised the advice that we were given.

Deputy M. Tadier:

I want to make it quite clear that this is obviously not a question time about the ferry tender process itself and we will have a separate one for that. But insofar as it might have indirectly or even directly affected our external relations, Minister, I would like to turn to the perhaps overlooked relationship with Jersey and Guernsey, because it seems that the actual real deterioration in relationship is between the 2 Islands. I note that only a couple of days ago in the Guernsey press we have got this allegation saying that ... accusing our Minister, so Deputy Morel, of misinformation. It says that the Guernsey-based operation said there had been ongoing engagement between the 2 parties and that they were ... “We are disappointed to see that the States of Jersey have released this misinformation.” That is not the first time that one of your Ministerial colleagues has been accused of misinformation in this area. Is the deterioration in the relationship between Jersey and Guernsey something of concern to you, Minister, given the fact that your department seems to work successfully with the B.I.A.N. (Bureau des Îles Anglo-Normandes) deal, which is a joint enterprise? Is that of concern?

The Minister for External Relations:

We are politicians. The term “misinformation” is bandied around in political circles in sometimes an unhelpful way. I do not know the details of what the supposed misinformation is. For my part, I had an incredibly successful visit with my counterpart to Brussels last week. I had good meetings in London with counterparts from Guernsey and the Isle of Man, with U.K. Ministers as well. As far as I am concerned the relationship is positive. It is well known that I am a long-term supporter of an enhanced relationship between Jersey and Guernsey because I think ultimately it arises, and hopefully it is more in the forefront of people’s minds, out of the geopolitical instability that we must stick together and be more unified and think about structures where we can work together, not where we can be accusing each other of misinformation.

[14:30]

But again, I was called upon towards the late stages of this particular process to give advice. My advice is always that we should stick together as much as we absolutely possibly can because of the potential detriment to an important relationship, which historically has often been tricky anyway.

Deputy M. Tadier:

Sorry, just to clarify for the record, it was the managing director of Islands Unlimited who accused our Minister of misinformation about a meeting that he said he had not had. That is not coming from a Guernsey politician, in case it was unclear.

The Minister for External Relations:

Okay, sorry. Yes, it was. You will be able to ask the Minister directly about that.

Deputy M. Tadier:

But I think that reflects something that other politicians have said previously.

Deputy K.M. Wilson:

Just to finalise on this point, I would really like to understand if there are any particular ongoing consequences to the decision that has been taken to go with the ferry provider that is not the previous operator that you are having to work extra hard on in order to maintain those relationships.

The Minister for External Relations:

I have not been briefed that there is anything ongoing, of course, as I have intimated. DFDS are not yet operating. They will have to manage the ramps in the Port of Saint-Malo with 2 operators now where there was only previously one. That will have to be managed carefully. Some of that will be around timetabling. I have not yet gone on to the website to think about booking the Gorst family holiday to France this year. I will see whether there appears to be any clash or strange timings there when I do. But they are ongoing things. Of course, I cannot say there will not be other challenges in the future because DFDS are not yet operating. There could be other things that we find is friction in the future, but I have no reason to think that that would be the case. I do not know if ...

Chief Officer, External Relations:

No, I do not think there is. There is not any particular additional effort going into relationships at the moment off the back of the outcome of the ferry tender. France is our most important partner after the U.K., and we have invested long and hard in the relationship, regionally and in Paris, to engage and communicate, to engage in Brussels, as the Minister has outlined, through the joint office. I think should future tensions arise as the ferry service starts, we are well placed to assist colleagues in managing those.

Assistant Minister for External Relations (2):

From a personal portfolio perspective in terms of my other role, I can say that there is a collaboration happening with Guernsey. It is not ... the ferry has not even come up in that discussion.

Deputy K.M. Wilson:

What actions will you take, Minister, to make sure that your involvement in the ferry service provision in Jersey will assist and secure a comprehensive service to Islanders? What would your role be in that?

The Minister for External Relations:

I would not have a role in that. My role would be to advise and try and keep relationships as smooth as possible, of course, as a member of the Council of Ministers, as the Minister for Treasury and Resources would do as well. If anything came to the vote, the Council of Ministers would have a vote, as any other Minister would.

Deputy M. Tadier:

Thank you for taking those questions. We will move on to, on our agenda, the section about intellectual property framework. I will ask myself to lead on this. I think, Deputy Scott, you are going to take this section, so pleased to have you in. I feel like we should have asked you about this before and we may not have got round to it at a previous session. So pleased to have you back in to answer some questions in this area. Can you provide an update about the intellectual property framework reforms that are coming through?

Assistant Minister for External Relations (2):

Yes, sure. As you may recall, we are working on a few different treaties and modernising the area of intellectual property laws. Taking advantage of some of the treaty networks available, bearing in mind how wide they are, one of those areas is in the area of registered trademarks. Currently we run a sub-registry to the U.K. that is run by the Judicial Greffe. After consultation, it was thought that we would benefit from operating a primary legislation. A law is being worked on to replace the Trademarks (Jersey) Law 2000 with a law that basically establishes this registry. Hopefully I will be reviewing that by June and there will be a public consultation or further public consultation on the actual detail of the law around them. We hopefully will be passing that in some States sitting session. Then we also, as you know, have been working on the patents law and the industrial designs law. We have put some regulations. That again was to enable us to participate in a treaty network. We also contemplate a transfer of the registry from the Judicial Greffe of the actual operation, still as a sub-registry; we will be keeping them in both areas. It definitely needs modernising. I went online, I was looking at how you register a patent today and it is ... we are not talking about putting in online forms, let us just say that. We are hoping to progress that or we are intending to progress that with

the J.F.S.C. It would be obviously brand new software to be tendered for. And thank you for your support of those regulations when I brought them before the States Assembly, I think that was last summer. Time has passed.

Deputy M. Tadier:

1st July, according to our notes.

Assistant Minister for External Relations (2):

So really it is just getting our ducks in a row and extending the treaties themselves, which, as you may recall, in the case of the patents treaty, is the Patents Co-operation Treaty. And in the case of the industrial designs, I think that is the Hague Agreement probably. Hague Agreement ...

Deputy M. Tadier:

Thank you. No, I think it was 10th September you brought the patents law to the Assembly.

Assistant Minister for External Relations (2):

Yes.

Deputy M. Tadier:

I just want to drill down into a couple of things you have said there. First of all, can we start off with the period of consultation that you were going to undertake? Partly what is the ambit of that? How extensive is that consultation going to be? Who do you expect to attract in terms of stakeholder respondees? It is a fairly specialist area, I guess, so ...

Assistant Minister for External Relations (2):

It is and it was not particularly a huge number of respondents first time around. But, as you say, there were just a few businesses that operate in the Island who are specialist. In fact I was quite surprised how many we have got, but that is a different story. I think it was possibly as many as 10 that possibly is paid for. I am sure they will be very interested in the detail of law. I am not expecting much more in a way of response to them but it is a public consultation; anybody may comment on it.

Deputy M. Tadier:

Thank you. You talked about the registration system. Is the register, did you say, moving from the Judicial Greffe or is it currently there or has it already shifted?

Assistant Minister for External Relations (2):

No, it is currently with the Judicial Greffe, all 3.

Deputy M. Tadier:

That will shift to your department, is that right?

Assistant Minister for External Relations (2):

No. We are commissioning the J.F.S.C., which already runs a good number of registries. I think it is at least 20, is it not? Yes. They have got form in that. The Judicial Greffe does seem a bit of a curious place to have it now. It is not really like it is core work, and it does desperately need modernising; all 3 do.

Deputy M. Tadier:

Is that already covered? The provisions that transfer have already been passed, is that right, or is it a Ministerial Decision it requires or ...?

Assistant Minister for External Relations (2):

The regulations themselves contemplate that the register can be held by someone other than the Judicial Greffe. But we cannot transfer the register until we have ... the J.F.S.C. have done the actual taking on of the development of the work. You may imagine it has quite a few things on its plate at the moment, so it is another project that it is working on. We are very much aiming that by the end of next year it is all going to be on board and very much so, because that is the window of opportunity. As you may remember, much of this is connected to the possible extension of the C.P.T.P.P. (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) to enable the benefits of the provision of services provisions to be extended to Jersey.

Deputy M. Tadier:

Yes. We will just say for the people listening what C.P.T.P.P. is, it is the Pacific trade agreement. I cannot remember the exact order, some of you will know what that means but just for those listening in the ether.

Assistant Minister for External Relations (2):

Thank you.

Deputy M. Tadier:

Yes. There are no tests today on that. I am just mindful of the public listening. Deputy Wilson, would you carry on with this section? Just I think we have a few more questions to ask.

Deputy K.M. Wilson:

We have, yes. Could you tell us, Minister, has any progress been made to date on the digitation of the registration process at all?

Assistant Minister for External Relations (2):

Insofar as software has to be commissioned for it, we have 2 sub-registers that we are talking about and one primary register, and they all are to be run by the J.F.S.C. Basically it needs to acquire the software and these things. I believe that they have yet to ... it would need to be procured. We have certainly got ideas in mind and have investigated some of the possibilities.

Deputy K.M. Wilson:

It is still in the planning stages now?

Assistant Minister for External Relations (2):

Yes, in the planning phases and officers have been working with the J.F.S.C. to just have all this on-boarded.

Deputy K.M. Wilson:

Okay, thank you. We note the approval of law-drafting instructions for a new law pertaining to the I.P. (Intellectual Property) Registry. Can you give us any more details on this in terms of the timeframe and the scope of the ...

Assistant Minister for External Relations (2):

When you say the I.P. Registry, sorry, I.P. is a very general word, are you talking about the ...

Deputy K.M. Wilson:

Intellectual property.

Assistant Minister for External Relations (2):

... registered trademarks, the primary registered trademarks, which is the ...

Deputy K.M. Wilson:

Yes, we are.

Assistant Minister for External Relations (2):

Okay. I personally reviewed those instructions. They now have been translated into a draft law, which is being reviewed by officers, and that is the draft law that we hope to be having a public consultation on this summer or by the summer with, or perhaps all 10, very fierce commentators participating this summer.

Deputy K.M. Wilson:

Okay. In terms of where the Registry will be located, is it going to be an independent body or will it continue into the remit of the courts?

Assistant Minister for External Relations (2):

No, that is going to be the Jersey Financial Services Commission. Do we, Tom, have a date? Is it by the end of the year, even in terms of on-boarding that?

Chief Economic Adviser:

The transfer across to the J.F.S.C.?

Assistant Minister for External Relations (2):

Yes.

Chief Economic Adviser:

We are looking to ensure that happens next year. We have a current programme on board that has been established, which I am a co-chair of, alongside the J.F.S.C. We have done a lot of investigative work around the digitisation and the need for the purchase and procurement of a new system that will do this. A number of options are available and will work and have worked across the world. What we would expect to happen is when the transfer happens to the J.F.S.C. the digitisation will go live at the same time. We expect that to happen next year. We have got one piece of legislation to come forward this year, which is the one mentioned, and there was one last year. We are making really good progress alongside our J.F.S.C. colleagues to ensure that we harness their expertise in registers, at the same time as we are setting the policy and the Minister is setting the policy of where we need to be in terms of both our international commitment but also some of the aims in the future of being able to use this as a bit more of a harness for economic growth hopefully. But that is a long-term aim, as opposed to right now we just need to ensure that we have a fit-for-purpose registry system, which the Minister has talked about, that is not at the moment and meet those international trade agreements as well.

Deputy K.M. Wilson:

Okay, thank you very much. Will there be any change or any assessment of fees for services provided by the Registry as part of that work? Are you considering that?

Chief Economic Adviser:

That is something that is under discussion at the moment, yes.

Deputy K.M. Wilson:

Okay. Are you going to be able to share these with us at an early stage?

Chief Economic Adviser:

I am sure that is something that we could bring. I think it is something that we would want to go out for some form of consultation on as well. There are good examples from around the world where this type of process does create enough revenue to run itself and some in excess as well.

[14:45]

We have definitely got the aim that it would be cost-neutral in the medium term. Whether or not it can then create extra money or is it something that we are still in discussion about and mapping forward? But it is not just about that element of the benefit, it is about becoming more open for patents for trademarks and becoming a bit of a go-to jurisdiction for the registration of some of those in the future.

Assistant Minister for External Relations (2):

At the moment we have a system that is not really buying into a broader system, so you can always say this is creating red tape. We do have the numbers to justify a primary Registry for the registered trademarks in terms of people wanting to register their trademarks here, which means that we had hoped to collect fees to the point where that could even make it profitable for the jurisdiction. We are reasonably hopeful there. Because basically it is just that once we have subscribed to the Madrid treaty, if say you are wanting to register a trademark in Germany and then it is almost like: "Would you like to register it here?" They then just tick a load of boxes and there are fees that come through that way. When it comes to patents and industrial designs, we are just not having really any great number of that registered here. It does not merit the same approach. Certainly in terms of our aspirations for innovation to improve our own economy, we would love to have more people designing things here in a way that they can be patented and exploited and produce ...

Deputy K.M. Wilson:

The conditions for that.

Assistant Minister for External Relations (2):

Yes, but anyway that is what I am talking about.

Deputy K.M. Wilson:

Just finally, in terms of the work that you are doing through the programme board, I presume you will have arrangements set up for how you are going to manage the transition from the Royal Courts. For the purposes of the public, can you just confirm that is the case?

Assistant Minister for External Relations (2):

Yes, officers are working on it.

Deputy K.M. Wilson:

What kind of disruption do you anticipate in the transition and how are you going to mitigate that?

Assistant Minister for External Relations (2):

I do not believe we are anticipating any disruption. It should be a matter of transferring data over to new systems and then start switching off one and starting the other. The officers in the J.F.S.C. and within, shall I say, the External Relations Department or the Economic Development? We still have a bit of a hybrid area at the moment. They are working together to come up with a roadmap in terms of assisting that transition and I am following it.

Chief Economic Adviser:

I think the only thing to add to that, as the Minister said, a response to the consultation showed that it is quite a niche area and quite a few people with specific interest in this, they will already be aware because we are talking to them that this is going to happen. For the transition between one to another should be very, very low risk in terms of any problems created because we know the people who are involved. It is not like this is open to the public. It is open to the public but it is not like they are using it on a regular day-to-day basis. This is a niche set of clients who will be aware of what we are doing, just through the consultation process that we have already done and the ongoing one in the future.

Deputy K.M. Wilson:

Thank you, Tom. Thank you, Minister.

Deputy M. Tadier:

Can I just ask one question in this? Has intellectual property always sat with this department, Minister, or is it being moved to ...

Chief Economic Adviser:

To the best of my knowledge it has. I have been in place for 3 years and when I took it over it was always under the Minister for External Relations.

Deputy M. Tadier:

Yes. Is that because it is similar in some ways to financial services or ...

Assistant Minister for External Relations (2):

No, it is because of the treaty and the fact that the ...

Deputy M. Tadier:

Yes, international obligation.

Assistant Minister for External Relations (2):

We were running a sub-registry for the U.K. I believe. But I think you can well argue it should be within Economic Development. But at the moment there is a lot of work to be done on extending these treaties. We have got, I think, at least 7 or 8 in total and we are reviewing them all in the context of the ...

Deputy M. Tadier:

That now makes sense.

Assistant Minister for External Relations (2):

Maybe Tom can say particularly the C.P.T.P.P., I know the words that are in there.

Deputy M. Tadier:

If it is okay, it is just that that satisfied my curiosity and I think the fact that it has obviously got J.F.S.C. over there now it also makes sense.

The Minister for External Relations:

It is a good question because historically it was with Economy. The responsibility for the legislation sits with the Minister for External Relations. All the work is being done by Economy officials.

Chief Economic Adviser:

Exactly right, yes.

Deputy M. Tadier:

Yes, thank you, that is helpful. This is our panel anyway, so we do not mind which way it comes to us.

Chief Economic Adviser:

Absolutely.

Deputy M. Tadier:

We will have to scrutinise it either way. We have got a few minutes left, we have got about 10 minutes left; we are due to finish at 3.00 p.m. I just want to turn our attention towards some tax matters, which maybe some of you might be pleased to hear about.

The Minister for External Relations:

It is with Niamh. She thought she got away with it.

Deputy M. Tadier:

The panel understands that there are a number of items in the Government's external relations programme. No, we are going to move on because I do not think that is directly relevant. Sorry, I am thinking on my feet here. We are going to talk about historical tax agreements, I think that is where we will go. One item is historical tax agreements, which you have indicated is an administrative exercise. Can you outline what areas of amendment are under consideration, please, Minister?

The Minister for External Relations:

Yes, basically it is removing bits of legislation which referred to old agreements, which are no longer in force.

Deputy M. Tadier:

Okay. Max, can I bring you in as well to ...?

Deputy M.B. Andrews:

Yes. There will be no effect for any practical changes, it is just ...

The Minister for External Relations:

I have checked on more than one occasion with officials that there will be nobody disadvantaged by the removal of this legislation. They are clear that that is the case because you worry that under the old treaty or, as the new treaty comes into effect, you are under that, in effect. But, Niamh, I do not know if you want to ...

Assistant Comptroller for Revenue, International Tax:

No, that is absolutely right, Minister. The old U.K. Double Tax Agreement, which applied from 1953 until 2018, has obviously been suspended, that has been terminated. There are no taxpayers really who are left who are still with open appeals in relation to 2018 or earlier years. But even if there were they would still be entitled to benefit under the old agreement. I think it might be worth

mentioning, Minister, there are 2 other elements to this. So part of this work is to remove old legislation which we do not need anymore, and then the other piece is to make sure that our Tax Information Exchange Agreement Regulations and our Double Tax Agreement Regulations are complete and correct and up to date. That work will mostly be done by order but there may be the need to introduce a small legislative change, and that is proceeding. Again, there will be no impact on taxpayers or on partner jurisdictions.

Deputy M.B. Andrews:

In terms of when we are speaking about the latter, do you think it will be probably delivered upon before the end of this term of office?

Assistant Comptroller for Revenue, International Tax:

That is the intention; we are working towards doing it in the second quarter of this year.

Deputy M.B. Andrews:

Okay, thank you very much.

Deputy K.M. Wilson:

Can I ask, Niamh, in terms of the other areas of the legislative programme - the assistance in collection of U.K. tax debts - are you able to outline areas of legislation that are being considered for proposal or amendment and if this is going to be primary or secondary legislation?

Assistant Comptroller for Revenue, International Tax:

I think it is fair to say that we are still at the early stages of this and our intention is to consult before we begin to start law drafting. At the moment we expect that there will be a need for a change to the Income Tax Law. We think there may be a need for a change to the Royal Court Rules. Then we are also in discussion with the Viscount's office and with other areas to make sure that we do not inadvertently forget something. There is an established principle of international law for jurisdictions that do not support other jurisdictions to collect their tax debts and, therefore, we need to make sure that all of the Jersey laws are appropriately identified.

Deputy K.M. Wilson:

Okay, thanks. Minister, you have indicated the legislation will give effect to Article 27 of the 2018 Double Tax Agreement with the U.K. As this agreement has been in effect for some time, are there any actions enabling assistance in collection of U.K. tax debts currently?

The Minister for External Relations:

They are just the things that Niamh really outlined.

Assistant Comptroller for Revenue, International Tax:

While the rest of the Double Tax Agreement came into force with effect from 1st January 2019, the Article 27 has still not yet come into force and it cannot until both sides have notified each other.

Deputy K.M. Wilson:

Yes, okay, thank you. Are there any particular impacts on international relations as a result of the delay? No, okay.

Assistant Comptroller for Revenue, International Tax:

No, I think we have been talking to the U.K. quite consistently about this for some time, yes.

Deputy K.M. Wilson:

Okay. Clearly this will involve the financial services industry, are there any other stakeholders being consulted about these changes at all and who are they?

Assistant Comptroller for Revenue, International Tax:

We will be consulting. I think at the moment we are still planning that consultation. I think Deputy Millar is keen that taxpayers are made aware of this because obviously it is a reciprocal agreement. Therefore, taxpayers who perhaps leave Jersey to return to the U.K. leaving Jersey debts behind, there is something of an exercise that needs to be done to make sure that they are aware that they should pay their debts before they leave Jersey, before we ask the U.K. to collect.

Assistant Minister for External Relations (1):

It works both ways.

Deputy K.M. Wilson:

Yes.

The Minister for External Relations:

The, of course, industry was consulted as we were developing the D.T.A. (Double Tax Agreement) anyway initially, so they were aware of this. We had to make that decision about when you are reaching an agreement some things you may like, some things you may not like. Industry is very clear that they wanted this updated agreement. But Tom was probably there doing the negotiation with Mr. Powell at the time, I think.

Director, External Relations:

Yes. But, Minister, you have said exactly what I was going to say. Because of the importance of the relationship with the U.K., I think it is fair to say that that particular tax agreement was subject to the most extensive consultation with industry as we negotiated the new provisions. Those that relate to assistance and collection were part of that process and would not be a surprise to the industry group that we consult on agreements at this time. But we will of course do the additional consultation around exactly how we will give effect to that commitment.

Deputy K.M. Wilson:

Okay, thank you very much.

Deputy M. Tadier:

Are there any plans for similar agreements with other countries which people living in Jersey might go back to; Romania, Poland, Portugal? Are any of those covered already or is this the most pressing ...

Assistant Minister for External Relations (1):

I think this is the main one, the dispensable one.

Deputy M. Tadier:

Is it being led by the U.K., so they are the ones asking for it initially?

The Minister for External Relations:

Yes. It is part of really the international norm now in these sorts of agreements, that there will be some recognition of the mutually-collecting tax debts. It is something which really is new for Jersey, so we have had to think very long and hard about whether we wanted to do it in this case. What we tried to do is ring-fence this agreement and agree to it in such a way because it is based on our constitutional relationship, rather than anything else. We will have to think carefully about whether we would include it going forward, in effect.

Assistant Minister for External Relations (1):

Because there will be admin work to be done in Jersey. We will be collecting debts for other jurisdictions, so there will be work to be done here. Several agencies will be involved potentially.

Deputy M. Tadier:

Will there be a certain asymmetry here in terms of who is likely to collect the most debts? Where is most of the work going to be done and who is the beneficiary? Have you done projections around it?

Assistant Minister for External Relations (1):

It is difficult to say. I have not spoken about it for a few weeks in terms of the sort of numbers we might get. I think we are hoping moving to a slow build up until we get our systems and processes in place because we have said the Viscount would be involved and maybe brought in ...

Deputy M. Tadier:

But can I ask the officers maybe if they have got projections in terms of those figures?

Assistant Comptroller for Revenue, International Tax:

We have done some projections but the data is a little bit elderly. I think what our feeling is, is that there is less asymmetry than there often is with these types of mutual assistance provisions because of the very close relationships of both human beings and companies between Jersey and the U.K. Therefore, we do anticipate that Jersey will receive some benefit from this, as well as the U.K., which is perhaps less indicated with some other jurisdictions and some other forms of co-operation.

Deputy M. Tadier:

Yes. I presume so long as the tax revenue received that way is the administrative burden, then both places can win potentially, is that correct?

Assistant Comptroller for Revenue, International Tax:

That would be the expectation, yes.

Deputy M. Tadier:

Okay, thank you. Minister, I notice that I have received conflicting advice about when we are finishing. I think the official time was 3.30 p.m., is that your understanding? We are not going to go right to 3.30 p.m. by the way.

The Minister for External Relations:

It is a bone of contention, Chair.

Deputy M. Tadier:

I like that.

The Minister for External Relations:

Because I never quite understand how anybody puts in my diary 2 hours when the standard time should be an hour and a half.

Deputy M. Tadier:

Indeed. What I think I will do and we are all ...

The Minister for External Relations:

Shall we split the half hour?

Deputy M. Tadier:

If it is any help we are almost finished. I would like to maybe ask those final questions, if that is okay, and then you can answer in any way you choose and we will take it from there. It continues the theme of maybe Tax Information Exchange Regulations, so the exchange of T.I.E.A.s (Tax Information Exchange Agreements) are also identified in the legislative programme. Can you outline areas of legislation that are being considered for proposal or for amendment in this area?

[15:00]

The Minister for External Relations:

Yes, it is about just making sure that we, in effect, provide the information in a way with how the standard is involved, but Niamh can give you more detail if you would like.

Assistant Comptroller for Revenue, International Tax:

This relates to the Tax Information Exchange Regulations. It relates to instances where we receive a request for information from an overseas authority in relation to a particular tax pair and then Revenue Jersey will issue a production notice to the information-holder in Jersey to collect and exchange the information. Over the last few years there have been a number of court cases relating to these legal notices, and some of them have identified areas where the courts feel that the regulations could be clarified to give better certainty to taxpayers, to information-holders and to make sure that the regulations operate as intended. We are currently doing an exercise to go through and to make sure that we have identified all of these comments made by the courts over the last few years. One of the areas, for example, that we know that they have identified we should look at is to do with the obligations of directors where an information production notice is issued to a company, both in terms of the obligations of the directors in respect of the company but also where the notice relates to information which is known to an employee or known to a director but not necessarily written down. Again, this is work which we will be consulting on. In practice, the vast majority of information and notices are issued to banks, to fiduciaries and then also the legal profession becomes involved. It may be that we do a more targeted consultation with the areas of industry that are particularly affected by this or it may be that once we have consolidated all of the issues that it is necessary to consult more widely.

Deputy M. Tadier:

When you talk about the court cases, there are Jersey court cases that have ... who have the court cases generally been initiated by and on what basis are they appeals to decisions?

Assistant Comptroller for Revenue, International Tax:

When Revenue Jersey issues a production notice both the taxpayer and the information-holder have the right to appeal against the notice. Sorry, appeal is not quite the right word. They will apply for leave to apply for judicial review. It will then be heard by the courts here. Yes, it is very much about the validity of notices in that context.

Deputy M. Tadier:

What have the bases for the judicial review been generally? Is it human rights challenges?

Assistant Comptroller for Revenue, International Tax:

In some cases they are human rights challenges. For the most part human rights challenges are extremely rare. For the most parts taxpayers are appealing either the validity of the requests from the sending jurisdiction in which they argue that the jurisdiction which made the request was not entitled to do so or it has to do with some of the particulars of the requests themselves. But I have to say each challenge is unique in itself, so certainly if you would like more details we can ...

Deputy M. Tadier:

Yes, I think we probably would but it sounds like there have been quite a number of rulings that have required a re-looking of the law, is that ...

Assistant Comptroller for Revenue, International Tax:

I would say we receive about 200 requests a year and we issue then probably about 250 information notices off the back of that. Of those maybe between 3 and 5 are appeals, so it is a very small number per year and many of those are decided on the facts, and there are very few of these. I think we are probably talking about 4 or 5 cases where the courts have made recommendations.

Deputy M. Tadier:

Are they upheld generally, the ...

Assistant Comptroller for Revenue, International Tax:

The notices, yes.

Deputy M. Tadier:

They are upheld, okay. Thank you. No, I am sure we would be happy to have more information in that area. I am happy with those and, as I say, we will follow up, potentially, with written questions.

Minister, we would give you the courtesy and we will give you the courtesy because I moved the questions around slightly. We normally would start with a catch-all question but we wanted to be a bit more focused on this occasion. But seeing as we are now at the end and you have probably got less inclination to play out the clock, I am not suggesting you would have had that anyway.

The Minister for External Relations:

We will go to half past.

Deputy M. Tadier:

I ask you maybe to consider only going to quarter past. Have you got any other areas that you wish to tell us about that we have not covered yet in terms of your work programme or just in general, matters that we should be aware of as a Scrutiny Panel?

The Minister for External Relations:

No, I do not think so. It has been an unusual hearing in that you have raised a number of geopolitical issues for which Jersey does not have the direct competency but which of course affect us. We see what is happening with Ukraine. We see the potential tariff war. We see those sorts of things that we have to navigate, even though I sense your frustration that our tools to navigate them are quite limited. The important thing for us as we do that is, from our perspective, Jersey remains a stable environment in which to do business. Of course if there is a trade war between Europe and America that will affect the cost of living for Islanders; we have to acknowledge that. But when it comes to attracting inward investment and new business, we still offer that same stable environment in a time of turbulence.

Deputy M. Tadier:

Yes. If I can just maybe in my closing remarks on behalf of the panel, I think that the reason that we started off with maybe more of an international focus is not just that there are lots of things that we hear in the news which are concerning. But there are clearly questions, legitimate questions which I think have been answered today, that certainly we have had, as panel members, and that conceivably I know members of the public have also had on which they might have wanted to put if they were here. Issues, for example, about asset-freezing, about them being used but also Jersey's relationship with Rwanda. We have not so much talked about Gaza, maybe just in passing today. We do try and reflect maybe what the public sometimes write to us about as well in that regard. Minister, unless there are any more questions from my panel members ... no. Anything from you, Minister?

The Minister for External Relations:

No.

Deputy M. Tadier:

Can I just thank you and your entourage for attending upon us today? It has been a wide-ranging hearing but I think it is in some ways very discrete subjects, some interlinked and I think we have enjoyed having you today. Can I thank you again? Enjoy the rest of your day.

The Minister for External Relations:

Thank you. Thank you very much.

[15:07]