

2015.03.10

#### **4.3 Deputy G.P. Southern of the Chief Minister regarding cases investigated by the Metropolitan Police:**

Does the Chief Minister accept Transparency International's analysis that a significant proportion of grand corruption cases investigated by the Metropolitan Police involved the use of suspected illicit funds by offshore companies to purchase U.K. property, with half of these companies registered in Jersey, and, if so, will he provide the number of requests for beneficial ownership received by the J.F.S.C. (Jersey Financial Services Commission) over such transactions and of suspicious activity reports registered locally?

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

Statements made in Transparency International's report on property ownership in the U.K. are very much open to question in their application to Jersey. The authors themselves state that conclusions are difficult to draw from the data alone and they acknowledge that Jersey has a central register of beneficial ownership of companies. As this information can be readily obtained by law enforcement authorities it is difficult to see how Jersey fits the report's references to secrecy jurisdictions. Over the past 2 years no requests for information on beneficial ownership have been received in the form of production orders by the J.F.S.C. Over the past 5 years, however, 394 intelligence reports have been shared with the Metropolitan Police by the Joint Financial Crimes Unit.

##### **4.3.1 Deputy G.P. Southern:**

Far from casting doubt on the figures produced, the figure of 50 per cent of the transactions involving Jersey companies was in fact a figure produced by the Metropolitan Police themselves. Does the Minister accept that?

##### **Senator I.J. Gorst:**

I think I have just made clear what I accept. Officers and officers at the Joint Financial Crimes Unit have subsequently, as you would expect, spoken to members of the Metropolitan Police and so we find it difficult to reconcile that figure with the reality of what is happening in every day activity.

##### **4.3.2 Deputy G.P. Southern:**

In the light of the statement that no requests have been received recently, does the Minister not consider that it might be an improvement to move to automatic exchange of this sort of information about beneficial ownership in the short and in the long term?

##### **Senator I.J. Gorst:**

The Deputy knows that we have signed a F.A.T.C.A. (Foreign Account Tax Compliance Act) agreement with the United Kingdom and he also knows that we have signed the O.E.C.D. (Organisation for Economic Co-operation and Development) Common Reporting Standard in Berlin in October of last year. We are at the forefront of these changes with regard to exchange of information and both of those agreements are automatic exchanges of information agreement.

##### **4.3.3 Deputy G.P. Southern:**

Will the Chief Minister turn his attention to the question about suspicious activity reports registered locally? To what extent are the safeguards built into our system sufficient to flag-up this sort of suspicious activity, one of which is highlighted in this latest report?

##### **Senator I.J. Gorst:**

Absolutely they are, that is why we have so many suspicious activity reporting. On the one hand the Deputy ... we were in a lose/lose situation. We are co-operative. We are transparent.

Appropriate authorities of which law enforcement agencies are appropriate authorities can make requests and can receive information.

[10:00]

The very fact that we are open and transparent means that we perhaps have more cases than elsewhere where they are not so. We cannot, it would seem to, win in this regard. Just because a request is made does not mean to say that illegal activity is taking place.

#### **4.3.4 Deputy G.P. Southern:**

As an indication of illegal activity or otherwise, can the Minister state how many prosecutions have arisen from suspicious activity reports or otherwise?

#### **Senator I.J. Gorst:**

He is asking me how many prosecutions, I assume, based on the Transparency International report and the subsequent line of his questioning, how many prosecutions have taken place elsewhere. I can only assume he means in the United Kingdom. That is outside of my control and I do not have the figure to be able to give the Deputy.

#### **The Bailiff:**

I was in 2 minds, I must say, Chief Minister, as to whether that was in order. It is not a matter for which you have responsibility. The Attorney General is responsible for it.

#### **Deputy G.P. Southern:**

Indeed that was not my intention to go in that area, as I am fully aware that it is not his responsibility. But suspicious activity reports are registered locally and I presume suspicious activity indicates that possibly some illegal activity is taking place so I was referring to local prosecutions.

#### **The Bailiff:**

It is still a matter for the Attorney General rather than the Chief Minister.