

Deputy M.R. Higgins of the Minister for Treasury and Resources regarding the publication of correspondence between ECOFIN and the authorities in Jersey regarding Jersey's compliance with the E.U. Code:

Following the Minister's press statement on 23rd November 2010 will he now publish to Members all papers and correspondence between ECOFIN and those acting on its behalf and the authorities in Jersey in the interests of openness and transparency and to enable Members to determine for themselves on the basis of the evidence whether they think Jersey has complied with the E.U. Code or not?

Senator P.F.C. Ozouf (Minister for Treasury and Resources):

I just refer the Deputy to what I said that the documents of the Code Group are confidential and cannot be made public without the approval of the Group and the Commission.

2.12.1 Deputy M.R. Higgins:

Supplementary? I noted the Minister's earlier comment but certainly the documents in Jersey are not necessarily confidential and he should share the argument being put forward by the Jersey authorities to ECOFIN so they can make a judgment on whether they are complying or not. Does the Minister not agree that this paper should be published?

Senator P.F.C. Ozouf:

There is obviously going to be certain papers that are confidential but the views expressed by Jersey in respect of Zero/Ten are clear. I will happily give the Deputy more information about the Jersey position but it is clear in all the documentation that has been previously submitted - that I issued on 23rd - and there is nothing really further that I can add.

2.12.2 Senator S.C. Ferguson:

Yes, we seem to have a lot of discussions with ECOFIN and the various bodies. I would ask the Minister at what point do we start arguing or discussing with them from a less supine position.

Senator P.F.C. Ozouf:

Just to point out that we have not had discussions as yet with ECOFIN and in relation to the overall position of Jersey in relation to the Code of Conduct Group we voluntarily comply with it. That is the policy of Jersey in relation to being a good neighbour, a good co-operative neighbour but we think we have a very positive set of information to give in relation to what our industry does and the fact that it is not harmful within Europe. I think it is good to engage and to explain and that is exactly what we are doing.

2.12.3 Senator S.C. Ferguson:

But given the fact that there is now international competition on corporate tax rates - witness the discussions on the Irish tax rate of 12.5 per cent - at what point will the Crown Dependencies start, as I say, discussing from a less supine position?

Senator P.F.C. Ozouf:

I do not think I have ever been described as supine and neither has Jersey. We are explaining; we are communicating about what Zero/Ten is. The fact is that all the information that I have in relation to the Code Group's conclusions is that the issue is

deemed distribution and there is a view, as I rehearsed previously, that that is a business tax issue: we represent that it is not. We will continue to explain that position in a forthright way and in an equal partnership way in the way that we have always done with our engagement with E.U. previously. I refer the Senator to the decision that we have made in terms of opening-up a Brussels office with Guernsey. That will improve communication and understanding about what the Crown Dependencies are and what we are not.

2.12.4 The Deputy of St. Mary:

The questioner, Deputy Higgins, asked about the papers and correspondence between ECOFIN and the Jersey authorities and the reply of the Minister was that the documents of the Code Group are confidential.

[11:00]

Can the Minister please answer whether he will publish the papers and correspondence of ECOFIN - which is a political body and is not shy and is quite happy to publicise its findings - to us, especially the early correspondence about whether indeed there was any indication from them about the probabilities of Zero/Ten being acceptable or not?

Senator P.F.C. Ozouf:

These issues have been rehearsed on many occasions in this Assembly previously. Any conclusions by ECOFIN will be published in terms of what I have already said. We expect that a short statement will be made in respect of Zero/Ten, and it is the interpretation of what that conclusion is that is important. I would just refer my earlier answer to the Deputy and that is that we have not had discussions with ECOFIN. We have had, over a number of years, discussions with the Code Group and I refer my earlier answer to the confidentiality of Code Group papers and the E.U. Commission. They are confidential and it is them that keep them confidential.

2.12.5 Deputy M.R. Higgins.

Will the Minister approach ECOFIN and ask them to release them from the confidentiality, because of the concern in the Island, so we can have further information and make a decision on this matter?

Senator P.F.C. Ozouf:

I was asked a few moments ago whether or not we would be less supine: we have to be realistic in relation to requests such as the Deputy makes. We do not run... we do not really influence the procedures and policies and the confidentiality of documents of bodies like ECOFIN, and I will continue to publish what information I can in relation to the conclusions of ECOFIN but there are going to be no surprises, I do not think, in relation to the conclusion of ECOFIN, that is the statement I have already rehearsed and explained to Members what we think the statement will be by ECOFIN and that is that Zero/Ten gives rise to harmful effects and that is because of the issue of deemed distribution which we have rehearsed.

Deputy M.R. Higgins:

My question was would the Minister request ECOFIN to release their confidentiality?

Senator P.F.C. Ozouf:

I do not think I am in a position to make such a request.

The Bailiff:

Very well, we will move to the next question which Deputy Le Hérissier will ask of the Minister for Economic Development. Deputy Le Hérissier.