

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE ECONOMIC DEVELOPMENT
COMMITTEE ON TUESDAY, 16th MARCH 2004 BY SENATOR E.P. VIBERT**

Would the President inform members –

- (a) whether the Committee is aware of any disquiet amongst senior executives working in many of the smaller local Trust companies regarding the way in which the Jersey Financial Services Commission (JFSC) is handling the administration of the legislation under which Trusts operate?
- (b) how many smaller Jersey based Trust companies have re-located out of Jersey in the last two years and how many jobs have been lost in this area in the same period? and,
- (c) whether the Committee has confirmed that the Financial Services (Jersey) Law 1998, and the Trusts (Jersey) Law 1984, which are administered by the JFSC are human rights compliant?

Answer

- (a) The Committee's attention has not been drawn to any general disquiet amongst senior executives working in the Island's smaller Trust companies. The Committee is kept in touch with the industry through the Jersey Financial Services Commission and various representative industry associations such as Jersey Finance Limited incorporating the Jersey Finance Industry Association and the Jersey Association of Trust Companies. The Commission, last month, held a seminar on regulation and business development and managing compliance which was attended by well over two hundred representatives of the finance industry. In the interactive sessions, those attending were asked to indicate where they thought the Commission could do better and useful comments were received that are being acted upon. However, there was nothing said that would indicate the level of concern to which the Senator refers and this is consistent with the views received by the Committee from the representative bodies.
- (b) Of the 230 applications received for registration under the Financial Services (Jersey) Law 1998, 174 have been accepted, 15 have decided to consolidate with other companies, 32 are withdrawing or have withdrawn from business, 3 have been refused, and 6 companies remain in the transitional stage and are seeking a licence. Of the firms who withdrew their applications or had been refused, just 4 have decided to relocate outside Jersey. To the extent that there have been job losses in respect of individual firms these would appear to have been more than offset by the growth in the number of jobs in the trust and company service providers sector overall.
- (c) The Financial Services Commission has completed a full review of all the laws for which it has responsibility, to assess these for human rights compliance. The Commission has confirmed that it believes the Financial Services (Jersey) Law 1998, to be compliant in all key areas. The Trusts (Jersey) Law 1984, sets the general legal framework under which trusts operate, but is not a law for which the Commission has responsibility for administration and was therefore not covered in the review. In drafting a response to this question, I have been advised informally that no substantive issues of concern have been identified in respect of the 1984 Law. For the sake of completeness, I have yesterday written to the Law Officers' Department to seek a formal opinion on behalf of the Committee in respect of the 1984 Law.