

GUERNSEY RESPONDS TO PM'S LETTER ON BENEFICIAL OWNERSHIP

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The Chief Minister of Guernsey and the Chief Executive of Guernsey Finance - the promotional agency for the Island's finance industry - have both responded to a letter from UK Prime Minister David Cameron regarding beneficial ownership.

Last week Mr Cameron wrote an open letter to all Crown Dependencies and Overseas Territories exhorting them to join the UK in establishing a publicly available central register on beneficial ownership.

Fiona Le Poidevin, Chief Executive of Guernsey Finance, said: "We welcome the Prime Minister's recognition of our continued commitment to working with the UK to promote the application of high international standards.

"Indeed, it should be noted that Guernsey became one of the first jurisdictions to regulate trust and company service providers and this is something which still does not happen in many territories around the world today, including the UK. In addition, Guernsey has had legislation in place since 2000 that obliges all beneficial owners of Guernsey companies and other legal persons to be properly identified and recorded by regulated corporate service providers and is one of only a handful of jurisdictions that have such measures in place. However, Guernsey has always maintained client confidentiality and this information is not shared publicly.

"Guernsey is ahead of the curve and we look forward to other jurisdictions stepping up to the mark so that we can help create a level playing field on beneficial ownership. Whether that will include a truly public register remains to be seen given the significant implications, for example in respect of data privacy and human rights as well as the potential negative impact on inward investment for any jurisdictions which adopt measures that are not global in reach."

In September last year the Prime Minister told the House of Commons that it would be unfair to refer to the Crown Dependencies and Overseas Territories as "tax havens".

In October Guernsey and the other Crown Dependencies of Jersey and the Isle of Man signed an agreement with the UK on a package of tax measures. It enhanced the automatic tax information exchange provisions already in place between Guernsey and the UK under measures equivalent to the EU Savings Tax Directive.

In last week's letter, the Prime Minister said that he "welcomed [Guernsey's] continued commitments to work with the UK to promote the application of high international standards. Our joint approach has been our strength and I hope we can continue to push this agenda forward together."

He added: "I believe that beneficial ownership and public access to a central register is a key to improving the transparency of company ownership and vital to meeting the urgent challenges of illicit finance and tax evasions."

Guernsey's Chief Minister, Jonathan Le Tocq, said: "The UK Prime Minister's letter of 22 April 2014 accompanies the UK Government's response to the consultation it launched last autumn on beneficial ownership. With regard to the letter, I am pleased that it again acknowledges Guernsey's commitment to the promotion and application of high international standards.

"We are looking at the detail of the UK Government paper in order to see how it might inform thinking on our existing regulatory framework for corporate service providers, and on how we continue to progress our action plan on beneficial ownership, which was published in June 2013.

"Guernsey continues to be supportive of any steps to create a truly global level playing field on transparency issues. I will be responding to the Prime Minister's letter in due course."

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Rupert Pleasant, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

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