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Economic and International Affairs Scrutiny Panel

Quarterly Hearing

Witness: The Minister for External Relations

Wednesday, 14th October 2026

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Panel:

Deputy S.J. Gleave of St. Helier South (Chair)

Deputy C.J. Rebindaine of St. Mary, St. Ouen and St. Peter (Vice-Chair)

Deputy C.D. Leck of St. Saviour

Deputy G.A. Raimondo of St. Brelade

Connétable R.D. Johnson of St. Mary

Witnesses:

Senator I.J. Gorst, the Minister for External Relations

Senator A.J.H.M. Maclean, Assistant Minister for External Relations

Ms. K. Nutt, Chief Officer, Department for External Relations and Financial Services

Mr. T. Le Feuvre, Director, External Relations

Ms. C. O'Brien, Deputy Comptroller of Revenue

Ms. J. Keir, Senior Policy Advisor, Financial Services Unit (1)

Ms. A. John, Senior Policy Advisor, Financial Services Unit (2):

[11:00]

Deputy S.J. Gleave of St. Helier South (Chair):

Okay, so welcome everyone. Thank you very much for coming along. This is the first scrutiny hearing for this panel in total, not just with you guys, but it is our first one, so please bear with us.

Hopefully, it will be smooth running. Just a few housekeeping items first before we start. This hearing is obviously live-streamed, as you all will be aware, and the recording and transcript will be published afterwards on the States Assembly website. To help with our transcribers, and so people who are watching know who is speaking, obviously we all know each other, but people outside there may not, so we will go around to the room and do introductions in a minute, so that everyone knows who we are. Everyone has already poured water, so that is good. So I think maybe if we just start with the introductions first. My name is Samantha, Deputy Samantha Gleave, and I am the Chair of the Economic and International Affairs Scrutiny Panel.

Deputy C.J. Rebindaine of St. Mary, St. Ouen and St. Peter (Vice-Chair):
I am Deputy Chris Rebindaine, Vice-Chair of the panel, Deputy for St. Mary, St. Ouen and St. Peter.

Deputy C.D. Leck of St. Saviour:
I am Chris Leck, Deputy for St. Saviour.

Deputy G.A. Raimondo of St. Brelade:
I am Deputy Gabriel Raimondo, Deputy for St. Brelade.

Connétable R.D. Johnson of St. Mary:
Constable David Johnson, Panel Member.

The Minister for External Relations:
I am Ian Gorst, Minister for External Relations and Financial Services, and I am joined by?

Assistant Minister for External Relations:
Alan Maclean, Assistant Minister for External Relations.

The Minister for External Relations:
And then my Chief Officer?

Chief Officer, Department for External Relations and Financial Services:
Kate Nutt, Chief Officer, External Relations and Financial Services.

Director, External Relations:
Tom Le Feuvre, Director of External Relations.

Deputy Comptroller of Revenue:
Cora O'Brien, Deputy Comptroller of Revenue, Jersey.

Senior Policy Advisor, Financial Services Unit (1):
Julie Keir, Senior Policy Advisor for Financial and Professional Services.

Senior Policy Advisor, Financial Services Unit (2):
Andrea John, Senior Policy Advisor for Financial Services.

Scrutiny Officer:
Peter Lamy, Scrutiny Officer.

Deputy S.J. Gleave:
Just also to check one of the housekeeping things I did not check, has everybody remembered to turn their phone off? Okay, so, for this hearing, what we really want to focus on in the main, not totally exclusively, but the majority of it, we are going to focus on *Time to Win*. Obviously, this is an area that the panel are hugely supportive of. So the question should not be in any which way seen to be holding it back. What we want to do is to make sure that we are seeing the progress that we would like to see from you all. So that is where the focus is going to be. We are going to be looking at the timetable about the funded measurable commitments that you have made and are making, and just to test the progress along the way. So if everyone is okay to start, my first question is, diving straight in, and I really want to understand the roadmap and whether there is now a detailed timetable that has been put together covering the *Time to Win* actions with an accountable owner, milestones, and the completion dates.

The Minister for External Relations:
So, if we go back to when we started this programme, I was very conscious that the world of financial services was changing and the way that clients of financial services wished to interact with their firms was absolutely changing. I recognised that we have done incredibly well getting a first-class MoneyVal assessment. But along with all of this change around financial services was also the question of, well, you have done so well with MoneyVal, what about structuring your organisation and everything you do to deliver growth? Because that is what we need coming out of that. So we, at that point, we thought about, okay, what are we going to do? How are we going to assess what our competitors are doing? How are we going to bring in expert advice to support us in what needs to be done, and how are we going to engage domestically with industry? As you know, we got to the point where we produced a report which had done all of those things. But to your point, I was very clear right at the start that this could not be a traditional Government: "Let us produce a report and put it on the shelf", which is why, right from the start, we had a workstream, which looked at changes that we could make. We call them quick wins, but some of them were not quick wins and we are still working through them now. So we had a lot of work that has been completed along the

way. For that section of the programme, we basically brought other people from across Government into our department to do the project management. That project management to a large extent was about delivering, getting to the point of the report delivery at that point in time. Which is what we have done. What we have been using more recently is a tracker and this is about managing the project before we go into all the initiatives. Post the election, one of the important things that we had to do was restructure the department, which again is one of the outcomes of *Time to Win*. In that restructuring, I was absolutely clear that we needed to take the process that we had used to get to the publication of the report, the tracker work, which is all of the underlying work that we have been tracking the progress that we have been making, and create a project management, I will call it a hub, because it does not need very many people, but it just needs slotting all those pieces of work into that project management hub. So taking everything that is happening on the tracker, and all of the progress that we have made, and then moving that forward. So there is lots of work that was completed before the election, which I am quite happy to answer questions about and go through, there is lots of work that we have been doing between the election and coming to see you today. All of which really was in the roadmap that we published. Then there is all the work that we are taking forward from here. I mean, at its heart, what is this programme? In its very simplistic form, it is a culture change. It is a culture change in Government; it is a culture change in the Regulator; it is a culture change in the promoter; and it is a culture change right across industry. That cultural change is about renewing our appetite for growth, and then all of the other things fall off the back of that.

Deputy S.J. Gleave:

Okay, that is really good to hear that you have got the project management hub. Is that now fully staffed, would you say, when you said you are creating the ...

The Minister for External Relations:

In Government, you always have this interaction between you need to get the work done, you have to have sufficient staff, but not to be overstaffed. I think, as we sit here today, we had a new person start on Monday, that means we have got 2, I think it is fully staffed. There is always going to be a little bit of to-ing and fro-ing as one puts the pressure on or works with the team, but I think it is fully staffed, yes.

Deputy S.J. Gleave:

Okay. Going back to the point about, with the project management, now that that is together, we would then expect a project management plan to be put into place. It sounds that that is still being worked on to go forward. When would we expect to see that done? So, for the next quarterly hearing or before that, can you make a commitment today to be able to publish that?

The Minister for External Relations:

Yes, we can, and we are happy to share it with you. So, it is a cultural change programme. So, there are things that we need to do, so legislative change, have we got the right resource in marketing, cultural change up the Regulator, work around looking at our legislative base for digital assets. There is lots of ongoing pieces of work, which I think we are already covering in the tracker, and we use the tracker, as I have said, to deliver the outcomes that we got prior to the election and post the election. What we are also doing, which I think you might be just as interested in, is this thinking about the benefits. So, working with the Economics Unit, they started to do some work in regard to that, because of the way that we must and rightly engage, every time we are thinking of doing a change. So, there is some things, we did a London event prior to the election to talk to gatekeepers, we are doing a bigger event with City U.K. (United Kingdom) in November in London as well to talk about not just *Time to Win*, but the core offering that Jersey has got. They are really quite straightforward things; you set your date and then you work towards it. Then you have got the issues around legislative change, but we have an aim of what we want to achieve, which is de-duplication, but then we get engaged with industry to make sure that it works and we are not having any unintended consequences. We engage with the Regulator as well to make sure that we are not falling foul of any international standards, those sorts of things. So, by very nature, this process takes a little bit of time, and I think the tracker has worked incredibly well in delivering all the change, because it is what we have used to deliver the change to date. But we recognise that a project management hub will also help us or hold the whole cross-sector of organisations to account.

Chief Officer, Department for External Relations and Financial Services:

Could I just come in on that? So, I think, as the Minister said, I think we are confident that we have got the resource in place now to put the governance and the project management around the whole programme, and it is very big, it is far-reaching, it involves a lot of delivery partners, so not all of the actions are down to Government, obviously, to deliver. But I am confident, I think in the next few weeks, that we will have something more that we can share with you. The nub of the programme is the tracker. Every line item is a project, a piece of work that *Time to Win* is asking us to do, so we have got a good handle on what we need to deliver. We have got a good handle, coming back to your point, Chair, on the leadership and the ownership for those actions. Some of the timeframes are a bit clearer than others, some of this is a bit more complex, it involves more stakeholders than others, but I think we have got a good handle on it all. I am confident in the next few weeks we will have something we can share with you as a panel. Coming back to your point on what we publish, we might need a further discussion on that, because the nature of this, of course, is about our competitiveness as a jurisdiction, and some of that may or may not be appropriate to put into the public domain at any point in time.

Deputy S.J. Gleave:

Absolutely, I understand. I think one of the things that we are conscious of, and as a scrutiny panel we are wanting to do, is to ensure that the industry feels that what you are doing is tangible, because we need to give the industry confidence. So, yes, once we can see the planning timetable and that, then we can have a discussion about what can we make public, what we cannot. Okay, thank you. Just, also, picking up on your point, you have quite rightly said that you have various partners who you are responsible for, but who are also integral to the delivery of *Time to Win*. So, Jersey Finance, the J.F.S.C. (Jersey Financial Services Commission), do you feel that they have a clear handle on their timetable and scoping what they need to do by when?

The Minister for External Relations:

So, I think this is part of the benefit of the project hub, because we are going to put everything in that came out of *Time to Win* and manage it through that particular system, so that there is no slip between one and the other. Because most of the projects require either engagement or action on behalf of the promoter, all of the promotional ones that you can see, or with the Regulator. We have, to a large extent, I think, done the bits that solely rely on Government, and that was our restructuring to make sure everybody within the central bit of Government was focused on growth and focused on *Time to Win*. There are other bits, of course, where we have put the *Time to Win*, it is not called Strategic Plan anymore, it is C.S.P. (Common Strategic Policy). It has changed its name so many times over the years, Common Strategic Policy. What that means is that then we will be able to work with other departments where there are other departments that need to take action, because we have got this commitment to *Time to Win* in the C.S.P. We are also engaging with the Minister for Economic Development and his Economic Growth Group. This will be a standing item on that. So, what we are trying to do is make sure there is proper governance around the project.

[11:15]

Yet, at the same time, because we have seen it in Government so many times, where you have got perfect governance, you have got perfect project management, and nothing really changes on the ground. This is why I think, for our part, you are going to put pressure on us, that is a good thing. You are an important part of holding us to account, that we are holding everybody else to account, to deliver in this programme. I am conscious that there is so much to say on all of this.

Chief Officer, Department for External Relations and Financial Services:

I was simply going to say that Tom has overarching responsibility for the programme within the department, and obviously I do as well as overarching S.R.O. (Senior Responsible Officer). I mean, we are having pretty much weekly conversations at the moment with Jersey Finance and the Regulator as well, on commitments to make sure that we are all in the same place, in terms of what needs to be done and when it needs to be done by. One of my priorities with the restructure in the

Government is to make sure that those relationships are as strong and positive as they can be. That is a real focus for me. We also have a programme board that has those stakeholders on it, and that is taking place for the first time next week, and I will be chairing that. So, there is a lot of communication.

Assistant Minister for External Relations:

Can I just come in with one point, which I think is probably relevant. Aside from what Ian has already stated, of course the funding is in place, which is crucially important. 2026-2029, £30 million, approximately £8 million a year to be focused on the delivery of all the elements that have been touched on. Obviously, we are going into more detail, but the funding is there. That is the most important thing.

Deputy S.J. Gleave:

I think we are going to come back to funding. We have got some questions on that later, so we will park that for a second. But in terms of just looking, and I know that you are still developing your plan, but if I was to say what are your top 3 priorities, the immediate priorities, now that you have done some quick wins, so taking out C.O.B.O. (Control of Borrowing (Jersey) Order 1958) and putting that to one side, what are the next 3 big things that you are looking to achieve, say, within the next 3 to 12 months?

The Minister for External Relations:

It is a programme of such quantum that I never try to give it just 3 things. Some of this, which officials complain about, is my style that I want them to do everything all the time and I leave it sort of to that. I see Cora's smile there. It is not a helpful one. Some of it is I then leave them to manage the workload in the department. But I am so passionate about the need to renew the appetite for growth that I do not think there is anything in that *Time to Win* programme that we have not got to grapple and make progress on. I could talk to you about all of the things that we are going to do over the next 6 months. If you really push me to prioritise, I think probably getting the concierge service up and running is really important. Renewing our marketing strategy is critically, critically important. All of the work, and I say this because the world is a fast-moving place, all of the work that Julie is doing, and Julie needs a strengthened team to help with that, and that is all in the digitalisation and tokenised stuff, is critically important. Ongoing cultural change and the Regulator is also important. So I have got it down to 4.

Deputy S.J. Gleave:

Okay. All right. We are going to move on. I am going to hand over to Chris, who is going to finish this section for me.

Deputy C.J. Rebindaine:

So, Minister, in the delivery roadmap in annex 1, you have got underway and to be completed by September. So we have now passed September. Can you tell us which ones within that are still overdue?

The Minister for External Relations:

So the one that stands out to me is the further simplification of the funds regime. Are we on the same? Yes, I am not sure which page you are on. The reason for that is that, having started that work with the working group, it was felt that we should get the C.O.B.O. legislation changed and the new piece of legislation in place, because that in itself is going to simplify the world of funds and all that they have to do. Once that is in place, as you know, it is before the States on 10th November. But, anyway, it is before the States now. Once that is done, then that working group will pick that up again and look for further simplifications. So I could be terribly political and make an argument that C.O.B.O. itself is simplifying, further simplifying the funds regime, because it is. But we think there is even more that could be done that just has to wait for that to be agreed by the States. We started the bank licencing, publish revised strategy, they have done that. Corporation, that is done. Do you want me to recite them so the public knows all the things?

Deputy C.J. Rebindaine:

It is more the things that have not been done.

The Minister for External Relations:

But it is really important for confidence and the growth mindset that people know what has been done. I am not going to do that. The other thing that is not quite done is the review of the J.F.S.C. enabling law. That is because we slightly changed track in the early days, which was we looked at that and thought: “Oh, for goodness sake, this is going to bog us down in all of the old arguments. Let us just renew the M.O.U. (memorandum of understanding). So we are virtually at the final stage of that M.O.U. review. I have looked at 2 or 3 different versions. I think my colleagues got it to look at as well. We have had some really good feedback on that. So that will be done and dusted any day now. So I would say within the next fortnight that will be over the line as well. That is quite important because it takes out a lot of the angst from anything that we think in the law, because it goes to the heart of this thing that Sir Howard said about how do you give a Regulator a dual mandate to regulate and manage risk and yet at the same time go for growth. We do have that in the law. But I think it is given better and further colour in the M.O.U.

Deputy C.J. Rebindaine:

Do you think there is any things yet delivered that give reduced costs, shorter timeframes, or making winning business easier?

The Minister for External Relations:

Sorry, I am just trying to keep going down this list for you. Because there is one more that we are also in train. I have had conversations with Ports of Jersey about, I have had conversations with the Minister for Economic Development about, and that is the connectivity with London, particularly the later rotation. So we live in a world where airline transport is even more difficult. We have seen EasyJet announce, in light of the war in Iran and rising fuel prices, that they are slashing lots of journeys and routes. Ports of Jersey are the people authorised on behalf of Government to have those conversations with carriers. I have been absolutely clear with them, and we are perfectly aligned on this, that British Airways is absolutely critical to our economic future. The link to Heathrow is critical to our economic future. An evening later rotation all year round, leaving Jersey to go back to the U.K. with B.A. (British Airways) is also critical. I believe it is so critical that, if Ports of Jersey need financial support to deliver and maintain those, then I am prepared and think it is the right use for the Competitiveness Fund to support that.

Deputy C.J. Rebindaine:

You can be reassured that the Chair and I have expressed similar views. So we are very supportive of that whole position. I was asking, I think we may be trying to cull some of these questions, is there anything we have delivered so far that you think reduces cost to industry, creates shorter timeframes, helps win business?

The Minister for External Relations:

Yes, so ...

Assistant Minister for External Relations:

While the Minister is thinking about it, or deciding his priorities, I was just going to re-emphasise one of those that we have mentioned, and that is about a culture change. I think it is crucially important, not only within Government and within departments, the focus on growth that the Minister has referred to is absolutely key, that all those involved within Government and the various related bodies are on that particular page. That includes the Regulator, of course, and that is an organisational issue. I have heard some encouraging signs recently that businesses approaching the Regulator have had some very good outturns, much quicker, much more focused on the growth agenda and delivery, which is excellent, but it has got to go right through the organisation. The culture has got to go all the way down. I know they are doing a lot of training in that area and that has got to accelerate. It is about speed and performance, and just because you are a Regulator does not mean it should be slow, cumbersome, and costly. Cost comes because of delay.

Deputy S.J. Gleave:

And uncertainty.

Assistant Minister for External Relations:
Uncertainty, absolutely.

The Minister for External Relations:
That is the point I keep making, is if we are going to say no to a piece of business for all sorts of good reasons, let us get on and say no. We want everything to be converted, I do because that is me, I want everything to be converted into a yes. I want them to go back and ask the question, and I have been talking about this with industry as well as the Regulator, is okay, there is a reason why you say no. What is that reason? Is that objection overcomable by a different way of thinking about the risk and how you mitigate that risk? But that is a whole other question that we probably have not got time to go into. So all the work that we did to enhance the private fund regime, so the J.P.F. (Jersey Private Fund) regime, as you know, authorisation within 24 hours, removal of the investor cap, broadened definition of professional investor, for example. The stats now from the J.F.S.C. that they reported at their mid-year event show that twice the number of fund service businesses and trust company businesses have been authorised so far this year compared to the same in the last year, 7 new unaffiliated, so that is the fund services, 10 per cent increase in J.P.F.s compared with between November 2025-2026, compared with this corresponding period in 2024-2025. That is just on that one measure, but all of the other measures, I think that we can see it comes back to that thing about confidence. In my office, I have a picture of Senator Cyril Le Marquand, and he is renowned for saying it is all about confidence. What this programme does is start to deliver confidence. Back to Alan's point, really, there is still a lot of work to do, and I want our team to be focusing on doing that work, but we are starting to see the green shoots of confidence. But as with any green shoots, it needs to be nurtured and encouraged. So we have got 7 new unaffiliated trust company business licences in the first half of 2026. Only last week, Julie spoke to 2 Jersey law firms who were well ahead of their targets and the amount of business that they were writing. I had a meeting with an African bank yesterday. They are seeking an investment management licence in Jersey. You will know there has been a European bank that has just got a new deposit-taking licence. These sorts of things have not really happened for a long time. So I am optimistic, but I am absolutely not complacent, because what I worry about is global uncertainty and the effect that it still can have and will have, and we have got to keep making that hay while we can. One law firm reported 13 new fund managers this quarter. I also worry about giving you these positive statistics, because, at its heart, the privilege has shifted, and we will only keep these positive statistics if we keep working our ... is it parliamentary to say ...

Assistant Minister for External Relations:
Socks off.

The Minister for External Relations:
Socks off.

Assistant Minister for External Relations:
I think you can get away with that one.

Deputy C.J. Rebindaine:
Just so we can establish the accountability, so who is ultimately accountable for *Time to Win* timetable, actions outside J.F.S.C. or Jersey Finance? Who is taking personal responsibility for making it all happen?

The Minister for External Relations:
I would like to say it was somebody else, but of course the law is absolutely clear that I am the Minister responsible and therefore I am the Minister accountable.

Deputy C.J. Rebindaine:
And there was talk about a board, so where does that sit in the hierarchy?

[11:30]

The Minister for External Relations:
So my colleagues, the staff, they are the ones who do all the hard work, and they are the ones who bring all this stuff to fruition. So as with any Government department, you have got the Minister who is legally responsible and accountable, and then you have got the Senior Officer who might do all the programme management board and all of that.

Chief Officer, Department for External Relations and Financial Services:
Yes, the programme board will essentially bring together the key stakeholders within Government across J.F.L. (Jersey Finance Limited) and the Regulator as well. I will chair the board. The point of that is to make sure that we are on track with everything that we are supposed to be doing, if there are any issues around funding, although noting the Minister for Treasury and Resources' point around funding being secure, which is excellent, or resourcing issues or other blocks that happen, the board will be the place that we can seek to resolve those, to make sure that the programme is able to continue in a collaborative fashion. Because it is about culture, it is about working together at pace and in line with our commitments.

Director, External Relations:

Yes, it is a jurisdiction-wide effort, this. For me, what good looks like eventually is this becomes business as usual, right? In theory, you should not have to have a *Time to Win* programme, you have a programme to make the transformations you need, but what good looks like eventually is that becomes how we do things around here. So, within it, it is worth saying that there is an interagency element to it, so that is what Kate is saying about the participation in the board, and those organisations, whether it is J.F.S.C or indeed Revenue Jersey, they have their own programme and delivery teams. The purpose of the programme board is not to interrupt that, we need to leverage those systems, and so it comes back to then your earlier conversation about metrics and measurement. The J.F.S.C., to take an example, has its own K.P.I.s (key performance indicators). We need to use the relevant ones as part of our reporting. There is no point reinventing the wheel if those are good metrics. It will not be all of the metrics, but a subset of them, as well as developing some new programme level benefits. So that is the work that is undergoing at the moment, and I think we could say we would be very happy to share that thinking with you in a collaborative way, because the panel is clearly very interested in this programme, and I think we would be up for doing that.

Deputy S.J. Gleave:

I think we would welcome that. It is about giving us confidence so we can give the public confidence that the programme is on track.

The Minister for External Relations:

Just to go back to your question, that is the legal situation, the reality is, from a political perspective, I am extremely pleased to have Alan as an Assistant Minister, because he has got the money, of course, but not just that. He is experienced both in Government and outside of Government, and the same with Elaine, and then we have got Carolyn as well to help with some of the European relationships as well. I think that is a strong team across Government, which is going to allow us to deliver as well, because there are some issues which will be cross-Government. It is also why I think being part of the Economic Growth Group, where that is then magnified by having the Minister for Economic Development Minister, the ... what is Mark's title these days?

Assistant Minister for External Relations:

Planning and Regulation. The Regulation bit is key as well.

The Minister for External Relations:

Yes, and Regulation, in that group as well, shows the strength of the support across Government for it.

Deputy S.J. Gleave:

Okay, great. I am conscious of time because we are already behind time according to my timing programme, so I am passing to Chris now.

Deputy C.D. Leck:

Right, so back to the money, so my questions are probably going to be directed to Senator Maclean. You mentioned earlier that £31 million had been identified for investing in competitiveness in 2026. How much of that is being spent in 2026, and how much do you see being carried forward 2027, 2028, 2029, and how have you assessed that is enough, or will more funding be required to deliver *Time to Win* and our competitiveness?

Assistant Minister for External Relations:

There has been an underspend which we are just looking at, at the moment, with regard to 2026. We have made it clear to the Minister and the department that whatever is not spent in this year will be carried forward to 2027. The reason there is an underspend is largely because of the election period, so unfortunately the programme was not able to progress as fast as it could have done because of that period out and the new Council of Ministers being formed and so on. The budget makes it clear, of course it has got to go through the States Assembly 2027, and then we are doing, as you know, a 2028 to 2030 period. So we have identified the funding. It is a clear priority, it is subject to amendment and the approval of the States ultimately, I make that absolutely clear. But as the Minister has said, this is a clear priority and there is a team of Ministers working together and we will make certain that the identified £30 million, roughly as £8 million per annum over that period, will be in place for the programme.

The Minister for External Relations:

If you want, the person responsible for the programme can give a bit more, if you have time for that?

Deputy C.D. Leck:

Yes.

Director, External Relations:

What the Minister said there is absolutely correct and I think the key point is that clarity around the judicious use of the money that is in reserve so that it is not allocated as part of the annual process of working out underspends and overspends across different years. We wanted to preserve it, which we have done, we are very grateful for the Minister for Treasury and Resources' clarity on that. But in addition, along the way and coming back to what the Minister for External Relations said earlier, this was a programme where we did not wait to the end of the report to get on with doing things. So what we have done is re-profile the existing departmental budget and that has been the source of funding for the activities that you will see that we have done ongoing delivery. So what that means

is that we have not drawn down on the reserve pool, it is still there, and we intend to spend it, but we have reallocated the existing envelope of the department's budget to spend on *Time to Win* activity in this year. So that is where the spend has come from.

Deputy C.D. Leck:
Okay, and do you feel there are any actions that you want to take under the *Time to Win* programme that you have not got adequate funding for or you are underfunded?

Director, External Relations:
I will say something on that and then I will definitely pass back to the Ministers. What I think is important within the roadmap, so if we come to the roadmap, absolutely every single item in that published roadmap is in our tracker and we are doing things on all of them. However, they are not all the same size. So, for example, amending your legislation in relation to a particular product is not the same, I am not underestimating the task, but is not the same size of product as going towards e.K.Y.C. (electronic Know Your Customer). So I think it is perfectly possible as we move through this programme that we will need to take stock and say some of these projects potentially grow out and become very large initiatives in themselves and we will need, at the programme level, to continue to assess what is the right level of prioritisation and resource as we go through the discovery phases and work out what we need to get the job done. So that is not saying necessarily the envelope needs to change, but it is a fair point that, within that suite of interventions, some are going to need to come in a different order, there is a sequencing point and there is a prioritisation point and there may be a question around the funding. We may decide for example we want to go further and faster, but that is a discussion I think we would need to have at the programme board and then with Ministers and see what that looks like.

Assistant Minister for External Relations:
I would just add, if I could, first of all I congratulate the department and the comments that Tom has made about prioritisation within existing budgets, we need more departments to do that to focus on where the priorities are and put appropriate funding in there from their own resources. Obviously, there is some allocated funding for the programme on top which will be maintained. I would just like to emphasise the point that, although we are looking to rationalise and cut back waste in the public sector generally, there is a clear programme to invest for growth. *Time to Win* is part of that growth competitiveness agenda, which is absolutely key. There are other areas of growth which are separate to this which we also need to find the funds to invest in to make sure we grow the economy, we sustain jobs, we create new job opportunities and make sure tax revenues can pay for the services that we need. So, funding is an absolute priority on the growth agenda and competitiveness. We believe that the funds set aside at the moment are appropriate. If something

is identified that needs funding, that has not got funding, that has got a demonstrable case to grow the economy, create jobs, then we will clearly look at it.

Deputy C.D. Leck:

As you presently stand, are there any financial services growth or tax revenue increases that you need to deliver the *Time to Win* programme as it currently stands, or you mentioned that there might be more funding required, will that then depend on the growth?

Assistant Minister for External Relations:

You invest to grow, so you need to identify if opportunities come forward, whether it is the External Relations Department or another department that has opportunity to grow the economy, then we need to look at that and make sure the appropriate funding is in place for that growth agenda. But I think at the moment, as identified, there is a big programme here; it has got sufficient funding it appears at the moment, we just need to keep monitoring it.

The Minister for External Relations:

So one of the driving forces as well, which we started talking about right at the start of this hearing, was the implementation of Pillar 2 and the fact that, on the one hand that would bring more revenue into Jersey, which it has done, and this money comes from the allocation of some of that base case, because we recognise, while it is of course bringing more money in, it is also doing something to our competitiveness. So we need to counteract that implication because, for those in-scope companies, we are having to tax them then at that 15 per cent and all of the other stuff, which I know we are going to talk about later. So I think it is a very good use of that resource, we know the upside amount, I think how that is currently allocated is the right thing to do, hospital and reserves. But some of these projects, back to the point of particularly when it comes to technology, they may need some pump-priming. We are already doing that in Revenue Jersey with the business tax work. It is expensive but it is critically important, how we engage with businesses and financial services in that arena. So I think we can live within this budget, but at the end of the day the most important thing is that we remain competitive and we do what is necessary to see, to your point, growth.

Assistant Minister for External Relations:

I would just add that it is not always just about money. We talked about culture, the way in which you operate. There is a lot of things that can be done that can feed the growth agenda, the competitiveness agenda, which does not need investment in terms of financial investment, it needs a change of the way we work and attitude and such like.

Deputy C.D. Leck:

Okay thank you that covers the funding points.

Deputy S.J. Gleave:
Okay. Over to Deputy Raimondo.

Deputy G.A. Raimondo:
Okay, cool. Obviously, comparison is quite important, and comparison compared to competitors is really quite crucial in our future. You did mention Pillar 2 as well. So, which jurisdictions are Jersey's principal competitors in the markets you are prioritising and where are they currently outperforming us?

The Minister for External Relations:
So, if I start at the global perspective. We have done very well in meeting international standards. The last assessment that we had was one of the best assessments of anywhere. One of the reasons we wanted to again undertake this work and use externals for is to look at our competitors, to look at where is that balance between meeting the international standard and being open for business. So, if I answer it high level and then drill down, at a high level our competitors are those people who are just managing to get that dial in the right place. So, yes, they are complying with standards so that we are not blacklisted and it is a core of our business to be well-regulated to the international standard. But it is in how you deliver that regulation and making sure that you are focusing on growth at the same time as you are doing that. So, those jurisdictions that have got that slightly better than we have, we are seeing, although it is never static of course, we are seeing business in the Far East, that is Singapore and Hong Kong, but we are also seeing right now there is a differentiation happening between Singapore and Hong Kong, and that is around tax. So, we know that, yes, the regulatory point is important, but also our tax model is critically important as well. So we have got the Far East people, we have got the Middle Eastern group of nations, people largely think about Dubai when they come to that, then you have got what we might consider European onshore, although they are sort of probably mid-shore, and that is Dublin and Luxembourg, and then you have got, at the other side of the Atlantic, some of those American States which their approach to regulation is different from ours, let us just put it like that, and so they are our competitors as well. They are our main competitors.

Deputy G.A. Raimondo:
Okay, and in which areas at the moment are they outperforming us then?

[11:45]

The Minister for External Relations:

That is the high-level point that I was making. Those areas that are winning business are getting the dial between growth and regulation right. So what this report also said, and it was interesting that the expert panel looked at the data and said: "You are still growing in Jersey, you are just not quite growing as fast as some of your competitors." So this whole programme is about trying to increase that level of growth. Some things are outside of our control, things that might be happening in Europe, and so we have been exploring this idea of collaboration. But when it comes to the heart of the matter, what is it that we are offering? We are offering a service, an international service to institutions and people around the globe. When you are offering a service, what is the thing that is critical? It sounds boring, it sounds old-fashioned, it is customer service. That customer service is, are you doing it quickly enough, are you using tech in the way that your customers want, and those 2 things, are you providing the service that the customer wants and needs? That is why there is a lot of focus on those things here.

Deputy G.A. Raimondo:

If *Time to Win* is designed to get that dial in the right place for us, then which *Time to Win* measures specifically would give us that competitive advantage over those other jurisdictions?

The Minister for External Relations:

When you have really good officials that are always eager to butt in and say something, so I will let Tom go.

Director, External Relations:

What I think we learned through the process that we did on *Time to Win*, including the process with the external consultancy and then the panel report, is that there is no one single thing that we have to do in order to get the dial right. There are a number of connected things that we have to do to get the dial in the right place, to use your analysis, which is a good way of putting it. So, if you think about the different examples, thinking about competitors is one way of thinking about it, another way of thinking about it is who is best in class at this, who is really good at it? That is the approach that I would take. So you are looking in different places for different components of this overall effect, so to give some examples, the U.A.E. is very good at warmth of welcome for new business. There is a lot we can learn from that. We intend to learn from that. We have a very good relationship with them. I think we all can get better at that collectively. So that is somewhere I would look for that one. Regulatory guidance as well as innovation in tokenisation and digital assets, Singapore is fantastic at that. Julie knows that. She has been out there; we go out regularly. If we think about market access, which is things like treaty networks, Luxembourg is very strong on that. We are working, as I am sure we will get to, to expand our treaty network. There is more to do, but I think we have a good story to tell. Different jurisdictions have slightly different positions, depending on the structure of their tax system. So you have to look at different places for different parts of the

story, but in each of those I think what we are saying in Jersey is we need to lift our gaze up and say: “Who is the best in class and what can we do to learn from that and to try and integrate some of those characteristics into our own practice?”

The Minister for External Relations:

There is no one thing. The whole programme will make us more competitive and it will pick up those themes, which is why those areas are rather contextual because of those themes, which is why you are right to question us about programme management and getting the whole programme delivered.

Deputy G.A. Raimondo:

Are there any opportunities you have not taken up then? What would the reasons be behind not taking those opportunities?

The Minister for External Relations:

That is a good question. Our model in Jersey has always really been that we try and take every opportunity everywhere. That sometimes has been a challenge because what it ultimately means is that, on any given day, you can have a headwind from that particular area in that particular part of the economy. This programme is about not saying we are not taking opportunities up, it is looking at those opportunities that we might not have taken up in the past, but are becoming more important globally. So, again, we are saying we have had tokenised funds since 2014, but we have had very few of them, so we have not been building a cluster or building a sector. So it is not about things that we are saying no to, it is more about broadening out what we have either already got or looking at market segments that we have not got an offering that we think we need to.

Assistant Minister for External Relations:

It is about markets and marketing and speed of delivery is also crucially important. We have got to pick up the pace for the opportunities that exist, bearing in mind it is an ever-more competitive world that we are living in now and there are lots of jurisdictions fighting over the same pie. We have got some great distinguishing factors here in Jersey. We need to build on them and we need to make sure we move quickly in terms of doing that. That is at the heart of *Time to Win.* It is at the heart of the competitiveness agenda.

Deputy S.J. Gleave:

Okay. Moving to Constable Johnson.

The Connétable of St. Mary:

Thank you. I have a few questions on performance to a certain extent. After what has been said, it rules out detailed questions on this. I would like to pick up on a couple points more general. You

referred to cultural change. Now, in my previous appearance on this panel, I had the impression our main focus had been on your concerns with MoneyVal and meeting their requirements. Does the cultural change clash against any of those MoneyVal considerations and how have you been able to balance the 2?

The Minister for External Relations:

This again is where the restructuring in Government helps. We did part of it prior to the election by bringing responsibility for financial crime into the Financial Services Unit so that we were much more aligned over that. The thing moving forward about the requirement for meeting international standards and the assessment is that, as you know, there is a new round of assessments taking place where the criteria is changed slightly. When we look at that, we are generally in a very good place, which tells you something about how we have managed regulation in the past. We take that as a positive for going forward, so we are generally in a good place, but there are changes that we will need to make and we are saying, okay, let us try and manage that over the term of between now and when we are going to have our next on-site assessment, which I think is 2032. But we will need to be ready before that. But it is trying to recognise that you could argue that there is a conflict between growth and international standards. I do not see it like that. I see it as there are a number of issues which are core to our financial services, one is being well regulated and people come to us because they want the kitemark of being in Jersey that is seen as well-regulated. Then you have got all of the tax stuff, which is right in Alan's domain, about tax neutrality. Then you have got the customer service point that we have just been talking about. It is trying to embed, in the culture of everything we do, that they are not necessarily competing. Meeting the standard is good for Jersey. It is how we meet that standard, how do we manage risk, because that is what the standards are all about. We do not want Jersey to be used for bad actors in any way, shape or form. There is always a risk of that and we know that risk is increasing with all digitalisation and technology, but how do we manage that risk appropriately. So this is also a slightly uncomfortable area. In the digital world, there are new products being developed every day, which no one anywhere around the world is used to managing, notwithstanding Tom's point about Singapore. I strongly believe that we need to be winning, and we are, some of that business to Jersey, which does give us a heightened risk. So it is going to require us, when things go wrong, because we know in this new world things will go wrong, to recognise that we took that risk, we mitigated it to the extent that we possibly could, but there was still some risk there that something might happen. We are going to have to live in this new world of that, not thinking we have to remove all risk and then we are safe, because we will not be safe, if we have no risk, we will have no industry, we will have no livelihood, and what is the Dad's Army saying, we will all be doomed.

The Connétable of St. Mary:

We have the C.O.B.O. improvements and you have given us figures which show that resulted in increased business, and more to come. The other thing you have referred to that I have not got to, the Financial Products and Prospectuses (Jersey) Law, which is due to be debated in November. There is quite a lead-in time until it becomes law, I think, and that is to give you time to produce the various orders and satisfy some of the concerns?

The Minister for External Relations:

It is to give both the Regulator and industry time to get ready for the changes and get used to the changes and filter it through their system, which is why I say that it is important. We have to work rightly with industry and Regulator, and so sometimes things take time. We have to make sure that the time that we are involved is compressed as much as possible, and we have the same conversations with the Regulator that they compress their time as well.

The Connétable of St. Mary:

Fine. So that is all I want to know really. Apart from this this piece of legislation, are there any more pieces of legislation anticipated?

The Minister for External Relations:

I have got a long list of them, David, here. Do you want me to send them on to you or do you want me to go ...

The Connétable of St. Mary:

Perhaps you can send them to us rather than bore us now.

The Minister for External Relations:

Otherwise you are going to ...

The Connétable of St. Mary:

Okay, that will be useful. You have already told us about the project hub, et cetera, and we have been given information on that, which was one of our concerns, making sure we are up to speed with implementing things. So I do not think I need to ask any further questions on that. The only other point I have got really, the new M.O.U., looking at the Minister for Treasury and Resources, as he now is, and was at the time of incorporation, annex 3 to the M.O.U. then, is that something which you feel able to share with the panel, your observations?

The Minister for External Relations:

So the M.O.U. that we are about to finalise, as I understand it, is going to be put into the public domain.

The Connétable of St. Mary:
Will it be finalised by way of approval by the Assembly, will it, or not?

The Minister for External Relations:
By Ministerial Decision. It is nearly there. I am quite happy to share a confidential draft.

The Connétable of St. Mary:
That will be useful, I think.

Deputy S.J. Gleave:
Yes, I think that would be very useful, thank you.

The Connétable of St. Mary:
I think previous questions have more or less answered my area.

Deputy S.J. Gleave:
Okay, fine. So I want to just look, it probably will not be a surprise to Alan and Ian, just ask this question specifically about A.I. (artificial intelligence) now. So, the proposed C.S.P. has linked the implementation of *Time to Win* with responding to the effects of A.I. on our economy. Looking specifically at the *Time to Win* and the impact that A.I. could have on our finance industry, what scenarios have you looked at or are you looking at for modelling that for the local employment within the finance sector? Obviously payroll and income tax, so very much your area, Alan, but looking at that within *Time to Win* and what steps can be taken to mitigate it.

The Minister for External Relations:
So, I suppose there are a number of answers to that question, so I will work through them. The first is from the perspective of *Time to Win*, I am absolutely convinced, and pushing right across industry, the implementation and use of A.I. Some financial institutions are doing that well. It presents challenges for us because they are using skills in Dublin and India, technicians, as we all know. Because, in my view, unless we lean in and incorporate A.I. into our everyday activity, again we get left behind. So we have always had these rounds of outsourcing, which were always painful at the time, but now when we are coming to the world of A.I., those rounds of outsourcing show that, over the years, we have more and more higher-skilled people in Jersey. We still have people that it will affect, but we must lean into it.

[12:00]

So, the current challenge that industry tell me about, again, somebody was saying this to me yesterday in one of my meetings, is that they do not have enough people for the work that is now coming through the door. They are currently managing that and they are worried about wage spirals because of that. That of course helps us with the arguments that we are making in Government, that we have got really good people in Government. We have got a lot of employees but there are jobs in the private sector that Government is crowding out because we have got so many people. That is part of Alan's day job to think about those things as well. That is the current challenge that they are telling us about and they are also dealing with technology. As you know, when we are looking at what is happening in the economy, that is very much the F.P.P.'s (Fiscal Policy Panel) remit and they talk to industry about what is happening with the jobs. Then they provide that to the forecasting group and then they look at forecasting. Cora might come in or Alan might, my understanding is that the F.P.P. is going through that process. They are looking at the budget and they have looked at the economy. I think there are some scenarios that the departments are thinking about developing. Rather than forecasting because that is the F.P.P. but just looking at some scenarios. I think it is fair to say that that is early days because they are working with the F.P.P. to think about that. It is on the radar and it is on the agenda but I do not think there is anything further that can be … I do not know which of you …

Assistant Minister for External Relations:
I would just say that I think A.I. is a risk clearly but it also an opportunity. It depends on how businesses adopt and use the A.I. and the productivity improvements, as Ian was referring to. Some are beginning to see that driving more business and I think that is positive. We need to make sure that the environment is right to allow them to invest and grow if need be and the legislation is accommodating as well. I think on the risk side, we saw it purported only last week H.S.B.C. (Hongkong and Shanghai Banking Corporation) Global letting a load of jobs go in wealth management and they linked in the press release that to A.I. There are some losers but there will be some winners on the other side. It is an ongoing process. As Ian referred to, the Fiscal Policy Panel is considering job impacts on our future revenues and what have you. It is not just A.I., we can lose jobs for all sorts of different reasons, equally we can gain them. That is why, again going back to the growth agenda, it is so important that we position ourselves to attract the business that Ian referred to, the trust business coming in and other flows, there is interest from banks. There is business coming in but we have got to not be complacent about what we have got currently here in the Island and make sure we look after our existing businesses so that they have the confidence to also grow and adopt, if necessary, A.I. as part of their programme.

The Minister for External Relations:
But I think you make the point really well, that we need to encourage our businesses here to adopt A.I. because otherwise that business goes somewhere else where they are adopting A.I. and then

we lose any of the higher value human interaction bit of the chain, which we know is going to need to remain. I said there was many answers to this question, sorry.

Deputy S.J. Gleave:
Yes. No, that is fine.

The Minister for External Relations:
The other side is we have engaged with Digital Jersey. Do you know they have got an A.I. Council, I think do they call it?

Senior Policy Advisor:
Yes.

The Minister for External Relations:
What we are trying to develop and think about is a programme of upskilling across the sector. We have not settled yet on what that programme will be because the more I look at it and the more I have conversations with not just on Island but elsewhere is some firms are already doing it; some firms want an international approach to it or a business-wide approach. Others, they say: "If you could just give us a tax benefit from it we will do our own thing, we just need a bit of tax relief." Okay, others want Government to provide some training. We are just trying to marry all of those different potential scenarios together before we put our plan into action. It is changing so much because when we first went to Digital Jersey, to be fair, we just said: "Right, we need a plan that is going to upskill everybody." But the more we have looked at it and the more they have looked at it, the more we think, no, that is not quite right. We need a much more tailored approach. But, again, that is something that we are happy to share with you and have conversations with you about. Because I think it is something that we all want to be aligned upon and have a plan that is going to deliver value.

Assistant Minister for External Relations:
To be fair, large business are doing it themselves anyway.

The Minister for External Relations:
That is right, yes.

Assistant Minister for External Relations:
But employees are also waking up to the fact that they need to do it because their job is, potentially, at risk. If they become A.I. compliant, literate, however you want to phrase it, that secures their growth opportunities as well. It is multifaceted, frankly.

Deputy S.J. Gleave:
One of the questions I had down here and I am really glad that you brought up, the upskilling, the learning. There are some jurisdictions where they are seeing it as part of the education programme from school. I do not think that is something that the U.K. has really got its head around and obviously we follow the U.K. in the curriculum to a large extent. Are you having any conversations with the Minister for Education and Lifelong Learning about what we could do as an Island? In particular we have got this worry about kids who are leaving. You have made the point that we have got a skilled workforce but when we are looking at the beginning of that journey where people do not have skills, I am hearing that the children coming out of school at the moment do not have anywhere to go because there is a restriction in the job market. How do we solve that?

Assistant Minister for External Relations:
I think the Minister for Education and Lifelong Learning is well aware of the issue. I had a very brief conversation with her only the other week. They are certainly thinking about it. I could not give you any details as to what their plans are. I think you are right though, it needs to start in the schools at a very young age and educate people throughout the curriculum. We are already seeing the effects in the jobs market because people are applying for jobs and the early assessments are being done by A.I. In fact I had a meeting with a partner from a large accountancy firm in London who was in Jersey and I was explaining this is a potential problem. He was pointing out that these big businesses are finding it very hard as well. Because applications are so polished now, having gone through A.I., they think they are getting something they are not when the individual arrives for the interview. It is a rapidly evolving marketplace. But you are right, education is going to be key but it is happening in the workplace as well and that is also very important, that businesses recognise the threats, risks but opportunities as well.

The Minister for External Relations:
As you will know, there is an ongoing conversation in the educational world and business world about, will A.I. mean that it does not matter what your education is, that it will be a democratisation of knowledge or - which I prefer this argument but who am I - a good education is still critically important? Because you still need to understand the basics of what you are wanting to ask in order to get the right answer and to lead you to the right place. Are there softer skills? Back to customer service, if we are going to have fewer overall jobs but more higher-qualified jobs where human interaction is critically important, are those softer skills even more important in the world of A.I.? Yes, we will have the technicians and the engineers and all of those, they are going to be really important, of course they are but where there is the human interaction needed for the decision-maker, particularly in our world where someone has to be held, ultimately, accountable, are those

skills just as important? I do not think that those people having those conversations, who are doing curriculum and all of that, have fully decided on what the answer to that is.

Deputy S.J. Gleave:
Okay, all right. Chris.

Deputy C.J. Rebindaine:
Progressing from A.I., the digital assets and tokenisation initiatives, when are they going to be available for some practical commercial use? Are we getting ahead of the market or is the market waiting for us to catch up?

The Minister for External Relations:
I have just looked across the table and seen Julie still sitting there. I have a horrible feeling that Julie should be in another meeting somewhere else. Do you need to go?

Senior Policy Advisor:
That is all right, I can stay for this.

The Minister for External Relations:
Okay. I will let you speak first.

Deputy C.J. Rebindaine:
I should have asked her earlier, I am sorry.

The Minister for External Relations:
No, it is all right, I was not thinking. Okay, well I will let you start then.

Senior Policy Advisor:
Okay, yes. We have done quite a bit in the digital assets and tokenisation space already. We have established the Innovation Council. That was done at the end of last year, just the beginning of this year and co-chaired that with the J.F.S.C., which is a big industry group that we work with to help us understand what is coming down the pipeline, what they are seeing in trends in the marketplace, so on and so forth. We can adjust our positioning as accordingly. It helped to set the strategic direction in travel, understand where the potential gaps in our own framework may be and what we may need to do to resolve that. We have got a programme of work that we are working through with them or that has come out of recommendations from them I should say, including skills training for industry but also for the agencies involved, to make sure that we can regulate this place safely. Then also the next project that we are looking at is the legislative framework or statute book to see

whether or not it is sufficiently capable of enabling as much growth as we want in the digital assets and tokenisation space. We will be working with external partners and technical specialists in this area to do a review of our statute book to see if there is something more that we need to do around our statute book to encourage it. Those are the key areas that we have been working on. We have seen an uptake in applications coming through the door at the regulator. We have noticed an uptake in V.A.S.P. (Virtual Asset Service Provider) licensing applications and tokenised fund applications, so that is a positive. I think on the messaging that is already going out we are working really closely with the Digital Assets Innovation Council as well. One of the issues was fragmented messaging, was one of the issues I identified that the regulator, Government and J.F.L. may not be saying the same things about the same topics. We have done a language reset, we have audited all of those websites and about to go live with refreshed websites in this space later this month for J.F.S.C. and J.F.L, so that we are aligning the messaging and getting that pushed out as much as possible. But we have seen an uptake as a result of the work we have been doing.

Deputy S.J. Gleave:
Okay, that is good to hear.

The Minister for External Relations:
That is not likely in the term of Minister would I think and really announce that, which is that Jersey is now second in the world to the B.V.I. (British Virgin Islands) for issuing tokenised private equity accounting for 27.4 per cent of the global distribution, which I think goes to the heart of your question. Are we still just niche or are we making inroads? I think the answer to that is we are really making inroads. As you know, we approved tokenised publicly listed shares and approved placement of digital mirror shares on the Canton Network and we have got lots of others in the pipeline.

Deputy C.J. Rebindaine:
Given the Chair loves K.P.I.s, you were saying we are looking at this and looking at that, are there any milestones that you can …

Senior Policy Advisor:
It will form part of the broader programme. It will be wrapped up within that. Then once we have done the work with the partners on the legislative statute book, we will have a whole series of recommendations that come out of that which we can then build our K.P.I.s around.

Deputy S.J. Gleave:
Okay.

The Minister for External Relations:

That is due to be completed by the beginning of next year, so January.

Senior Policy Advisor:
Yes, Q1, hopefully we can get, even if it is an initial report end of January and then formal report later in February, bearing in mind holidays, Christmas, so on and so forth.

Deputy S.J. Gleave:
Okay.

Deputy C.J. Rebindaine:
Since Time to Win came out, what feedback have you had from any of the …

The Minister for External Relations:
Is that the last digital asset? Julie, please do go to your meeting.

Deputy C.J. Rebindaine:
Sorry, yes.

Senior Policy Advisor:
Thank you.

Deputy S.J. Gleave:
Thank you for coming.

Deputy C.J. Rebindaine:
Thank you.

Senior Policy Advisor:
Thank you. Thank you for having me.

Deputy C.J. Rebindaine:
Since the report has come out, has industry come back to you giving you their thoughts on priorities, measures that are either in it or were not in it and that made you think there are things we need to add in currently in that, perhaps agenda?

The Minister for External Relations:
It is a good question. Because one of the positive things is industry are coming forward more, making other suggestions to other bits of legislation as well that would help them grow their business,

which are feeding in, not least of which is Islamic Finance, where I was receiving an award on behalf of the Chief Minister a few weeks ago. I sat next to him and he said: "You could just do this little tweak or you could just sell the Jersey Trust Company differently and you would have a lot more pick up there." One of those people is here later this week, I think I am seeing him on Friday. There is more things like that coming out of the woodwork. Mostly - and it is never universal - people are a lot more optimistic.

[12:15]

Last week I was speaking at a law firm partner meeting. Their whole agenda was really about how they are growing and Helen and I went along and spoke to them. They have subsequently come back to us with more engagement than they want in this regard. Yesterday, I have already said I think, had a meeting with an African bank, so not just to compliment Government, it was the first time I had heard of a bank come and say to me that the process that they had had on an A.M.L. (anti-money laundering) supervisory visit, compared to a competitor, Jersey was head and shoulders above. That is not what I normally hear, let us be honest. Again, we are back at that green shoots area but there is a lot more work to do. Some of my colleagues, I was not able to go but Government, J.F.L. and J.F.S.C. were collectively awarded a special recognition award by the Corporate Governance Institute last Friday. There is more optimism, I think, from industry, yes, but there is always somebody that is not quite happy; we are a small island community.

Assistant Minister for External Relations:
I would add on top of that, that I think the benefit of doing the Time to Win work and publishing it and setting out an agenda to deliver on it, which is clearly the key thing, it sent a message out to industry that we are open for business. We have a growth agenda and we are going to push it through fast. Do not forget many of the businesses in Jersey are multijurisdictional. If there is too much friction here, for example, at whatever level, it is too costly, we are not competitive, it is too hard, they will put their clients where they are going to be treated the best and get the best results and outcome and that is what we are adjusting to now. I think it is really important that new opportunities are beginning to flow because industry is beginning to understand that we have sent the message out, there is a change afoot, we are here for growth and we want you here and we want you to grow your business here.

Deputy S.J. Gleave:
Yes, I just wanted to follow up with just one question which we skipped over a little bit before. But just going back to J.F.S.C., you are absolutely right, this culture change, it is so important and I did have some feedback that it is great that they are doing a customer service initiative. But, ultimately, if that means that further down they are just saying, no, nicer, then that is not going to get us where

we need to be. Just picking up on all the points I think everyone has been making, so much of this comes down to the J.F.S.C. as the regulator but they are independent from Government. What recourse do you have to make sure that those changes do go through and they get that balance from the policing aspect, which I think there has been that culture of policing, to one that is, yes, getting the regulation right, we do not want to get a bad reputation for the stuff that industry … ironically Jersey sometimes can be slated with, which we are really good at not being? How do we get that balance right and what recourse do you have?

Assistant Minister for External Relations:
From my point of view, I think the balance is absolutely key. We need to be well regulated. We are well regulated. We are well assessed, as you know, MONEYVAL and anyone else who looks. But the balance is absolutely essential and I mentioned earlier that at the very top of J.F.S.C. I think businesses that are engaging have noticed the change and it has been very positive. They have made it clear and I have spoken to the Director General personally twice now and she has pointed out that they are running programmes through staff to try and improve on customer service and everything else. I think David's point earlier on about how you get that balance right is important. It can be done; other jurisdictions have a welcome. These are our requirements, you have to live within them but let us help you and assist you in meeting the necessary balance, rather than perhaps a police approach that these are the rules, you have to work out your own way how you are going to deal with it. I think that shift is a lot to do with training, desire, and appetite. But they are getting it from all levels of politicians, from Minister for External Relations. I have been to see the Director General. I know the Minister for Economic Development has. I have to say that they, together with industry and Government as well, the various Government bodies, are now coming on board with the need and a clear agenda to grow and be competitive. We need to keep pushing at it and time and pace in a competitive world is really important because everyone else is moving as well.

Deputy S.J. Gleave:
Okay, all right. We are going to …

The Minister for External Relations:
Can I …

Deputy S.J. Gleave:
Sorry.

The Minister for External Relations:
I think it is important to say that Alan is absolutely right. We have been crystal clear with them about the grace mandate that will be in the M.O.U. as well. You will have seen from the business plan for

the year that now grace and competitiveness is right up there. Officials engage with them on a daily basis. As we have said, nearly all of these things require engagement with the J.F.S.C. and that is what they are doing on a daily basis. I have, as Alan said, made it absolutely clear to the Director General and to the board that this is about grace and managing risk with a tilt towards growth and not the other way round. But we have to take people with us and we have to keep engaging and keep talking to them and keep persuading them. You are right, a programme of our customer service is not just the answer; it is just that is a small part of the answer.

Deputy S.J. Gleave:
Okay, all right. We are going to move away from Time to Win now just in terms of your other areas and move to Deputy Leck. Just before I hand over though, we are running 10 minutes late, we caught up a little bit but just 10 minutes behind. Are you all okay to stay for an extra 10 minutes? The next sections should take us about 20 minutes. Are you okay for an extra 10 minutes?

Assistant Minister for External Relations:
Just about.

Deputy S.J. Gleave:
Chris.

Assistant Minister for External Relations:
I am less important, I'm only the Assistant Minister, so …

Deputy S.J. Gleave:
Keep your answers short.

The Minister for External Relations:
Everybody seems to have left me but there is a time where it keeps showing.

Deputy C.D. Leck:
Right, back to the money again.

Assistant Minister for External Relations:
I should have gone.

Deputy C.D. Leck:
Beyond Time to Win, are there any commitments within your remit that require funding and, if so, have you got funding for them?

The Minister for External Relations:
Yes, I should say this in front of Alan, we are satisfied with the allocation that we have been provided with in the budget.

Assistant Minister for External Relations:
Over-satisfied?

The Minister for External Relations:
No, just satisfied.

Deputy C.D. Leck:
Right. Okay, and do those other priorities require you to interact with other departments when we talk about regulation and red tape and lifelong learning, A.I.?

The Minister for External Relations:
Yes. The external relations work is largely undertaken on behalf of other departments, whether that is a relationship with the U.K. department. We end up fronting up some of this stuff but it is really all about other departments and us supporting them in their departmental agenda, as well as just generally trying to keep good and positive relationships with London and with Brussels and governments elsewhere.

Deputy C.D. Leck:
Final question, which is possibly more for Alan, is where are we on double taxation agreements? Because it would seem to me that if we have more of those, then we will be able to do more business with other jurisdictions and we will be more attractive to businesses and other jurisdictions working with us.

The Minister for External Relations:
Yes, it is a very well-made comment. We have to counterbalance that with the Zero/Ten regime is absolutely critical to our success and time to reiterate that. All of the conversations that I had with senior leaders around the globe said: “Your tax neutrality and your tax certainty is a really strong reason for why we are in Jersey.” It is that tax neutrality that causes the difficulty in negotiating double taxation agreements. We have done it to a small level. We continue to push the conversations all the time when I am having conversations with other governmental interlocutors; I keep chipping away at it. But it is tough work, it is hard going, and we go back to Tom mentioned it earlier about Luxembourg with their D.T.A. (Double Taxation Agreement) network; that is one of the reasons that they are successful. They are largely historic D.T.A.s and some countries just do not

really want to know but we keep making the point. Tom is the person that negotiates them on my behalf, together with colleagues from Cora's department.

Director, External Relations:
Within the team, yes. Yes, let me say, yes, it has reminded me of a conversation that we had I think a decade ago about pursuing relations with Oman. It would be remiss of me not to say that the Minister hopes to travel at the end of this month, subject to the ongoing security situation, to sign a full double taxation agreement between Jersey and Oman.

The Minister for External Relations:
I thought you were going to say subject to my wife's …

Director, External Relations:
No comment here, I am absolutely not going to …

Speaker:
If you want to delegate that job then I will happily go …

Director, External Relations:
That is a good example of one where we know that Jersey firms are increasing a small bit important for print in Oman. We took the initiative to go out there and to negotiate. Treaties take a long time to get to final signing point and ratification, near the end of a long set of work. But if you look at the Time to Win report because I will just highlight that part particularly, the G.C.C. (Gulf Cooperation Council) comes out as a really strong growth market for Jersey. We ratified a new double taxation agreement with Bahrain just in June. We are signing one with Oman. Negotiations are ongoing with Kuwait. We have just come back from Botswana where we negotiated a D.T.A. The programme is advancing; it is in line with our market objectives. We obviously prioritise the jurisdictions where we have the strongest footprint. But I think it is also fair to say we try to keep an open mind because I think we take a general position, provided the target country fits the O.E.C.D. (Organisation for Economic Co-operation and Development) model convention and our model treaty, the more that Jersey can strike agreements with sovereign jurisdictions around the world and expand its treaty network. Every time we do that I think it adds to Jersey's reputation and substance and standing in the world; it is a good thing. To answer your question, we are working as hard as we can to expand that network and we will continue to put resource into it, alongside all of the other things that we have to try and do.

Deputy S.J. Gleave:
Okay.

Deputy C.D. Leck:
Okay, thank you.

Deputy S.J. Gleave:
Okay, Deputy.

Deputy G.A. Raimondo:
Just a quick one. Just to quickly talk about the 2024 to 2026 Global Relations Strategy, past the meetings and the visits and all the meetings mentioned, can you just talk about some of the concrete outcomes that demonstrate value for money on that?

The Minister for External Relations:
Yes. Tom has just been telling you about it really.

Deputy G.A. Raimondo:
Sure.

The Minister for External Relations:
At the heart of the Global Relations Strategy is improving those relationships and striking those agreements. But whether it is those D.T.A.s bilateral investment treaties that we are interested to sign ourselves or whether it is all of the U.K.'s F.T.A. (Free Trade Agreement) programme and being involved in that as well, they are the tangible outcomes. We saw that we were included for the Gulf Cooperation Council F.T.A. for services for the first time. The first time we have been included in an F.T.A. for services; that is due to the team's hard work and the constant chipping away with the U.K. about why it is in their interest as well as ours to be included. It is those really tangible things. You have got all of the education, cultural things which are more intangible but they just lead to a better embedded relationship.

Deputy G.A. Raimondo:
Okay, that is pretty much it.

Deputy S.J. Gleave:
Constable Johnson.

The Connétable of St. Mary:
Yes, turning to all the other things you have to do. One is to maintain relationships with the U.K., are there any specific issues there and possibly given the Prime Minister's intention to, if not, reopen,

discuss further possible alignment with the E.U. (European Union), where do we stand in that and are we ready to enter any agreement discussions ourselves?

The Minister for External Relations:
I think, as you know, he announced that there would be a new summit on 20th November.

The Connétable of St. Mary:
Yes.

The Minister for External Relations:
That would, hopefully, put the finishing touches to what is being referred to as the reset. There was a summit last year just before summer where they got a heads of terms of the issues that they would discuss, S.P.S. (Sanitary and Phytosanitary) Agreement for us was critical in that. We are very supportive of the S.P.S., very supportive of the Youth Experience Scheme and energy co-operation. They are in the final stages of negotiating that S.P.S. Agreement or protocol. We will be having an update, there is another call later today, to update us on the progress of that.

[12:30]

But we are clear with them we want to be included in that as well. The wider, are they going to reopen the E.U. debate? I think is reasonably political. The important thing is dealing with the reset and getting over the line, so that they can have a closer, hopefully, warmer relationship with Europe. But I think we also just need to bear in mind that we absolutely support this. It needs to be got over the line as quickly as possible because you have got elections in France, you have got the political situation in Germany, you have got other elections taking place in Spain. Depending on the outcome of those, things could be quite difficult in Europe for the next few years. Getting this closer alignment now I think is really important and not to worry too much about the political commentary about whether there will be another referendum on E.U. re-entry. What were you going to say? Yes.

Chief Officer, Department for External Relations and Financial Services:
I was just going to make a point, coming back to your question, Deputy, around the importance of the meetings and the visits and all the engagement, I think we have been so far anyway relatively successful at boxing and coxing in terms of the changing relationship between the U.K. and the E.U. and having our platforms in Brussels and in France and the London office as well, means that we have got people on the ground engaged on a daily basis with all the important stakeholders. I think we are pretty good at getting intel about what is happening, yes, from the U.K. but from other sources as well. But also having really strong relationships with those stakeholders, they understand us, they understand our relationship with the U.K.

The Connétable of St. Mary:
We have our Channel Islands office in Brussels presumably …

Chief Officer, Department for External Relations and Financial Services:
Yes, we do and that is joined with Guernsey as well and they are incredibly effective engaging with the Commission, with dependent representatives there as well, to make sure that we are visible, we are present. Yes, we can hear what is going on and we can try and influence as well.

The Connétable of St. Mary:
Okay, thank you.

Deputy S.J. Gleave:
I am just going to come back to your question but just because you wanted to ask on yours that you had a question about Guernsey. Just because we have just been talking about Guernsey it might just be good.

The Minister for External Relations:
Where, sorry?

Deputy C.D. Leck:
How are you working with Guernsey, other Crown Dependencies and other …

The Minister for External Relations:
Exactly, that is why I said where?

Deputy C.D. Leck:
How are you working with Guernsey, other Crown Dependencies and relevant U.K. administrations to strengthen our position in the marketplace?

The Minister for External Relations:
We work very strongly from an external relations perspective with Guernsey. We do lots of joint meetings with either U.K. interlocutors, or certainly European at that level. The same with the Isle of Man, as you know they just got a new Chief Minister yesterday, so that was Chris, somebody I know from his time in previous Isle of Man Governments. From an external relations perspective, I think the relationship with both those islands is strong and positive and we have got the shared offices, which really leads to that. Because our interests are largely aligned once we leave our island shores. There is an element of competitiveness when you go further afield. We just need to be

mindful of that and I think we are mindful of it. But when it comes to a relationship with the U.K. I think our interests with Guernsey are totally aligned and we make the case together. I always take the view and have taken the view that the U.K., as a matter of international law, have to represent our interests. They do not really want to be having to represent 3 different little islands' interests. We need alignment to ensure that they are able to represent our interests to the best of their ability.

Assistant Minister for External Relations:
I should have said that I have always felt it important that the islands work closely together, particularly in non-competing areas. We have had various initiatives in the past which have been quite successful and I think we need to build on that. But I am all for developing closer and closer relationships. I think it is in the interests of Jersey and Guernsey to work closer together, as I say, in non-competing areas. I would have that as a focus from my perspective, both in my role here but also as Minister for Treasury and Resources.

Deputy C.D. Leck:
Yes, okay, thank you.

Deputy S.J. Gleave:
Gabriel.

Deputy G.A. Raimondo:
I have not got very much.

Deputy S.J. Gleave:
You do not want to ask your …

Deputy G.A. Raimondo:
No, that is pretty much the same sort of lines that Chris had.

Deputy S.J. Gleave:
Fine, okay fine. Okay, in that case we have done pretty well. There are a couple of questions I think we might just follow up, if you are okay, if we send that.

Chief Officer, Department for External Relations and Financial Services:
Yes, absolutely.

Deputy S.J. Gleave:

Because we have cut a couple of things out just to try and not overrun too badly. We have got some things that you have said that you would share with us. Peter, if you could follow up that would be great. Just thank you very much for coming. Thank you for your time and we look forward to continuing to work with you.

The Minister for External Relations:
Thank you very much. Thank you.

[12:35]