



GOVERNMENT OF BERMUDA

The Ministry of Finance

Ministry of Finance Headquarters

Ministerial Statement

To the House of Assembly

By

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Minister of Finance

Finance Minister's visit to the United Kingdom

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Mr. Speaker, I rise today to report on my recent visit to the United Kingdom to participate in the 2014 Overseas Territories Joint Ministerial Council. I was accompanied by the Secretary to the Cabinet, and ably guided by Bermuda's UK Representative, Ms. Kimberley Durrant. The JMC was preceded by the annual meeting of the UK Overseas Territories Association, at which Ascension Islands were formally admitted as a member.

Mr. Speaker, it had been intended that the Honourable Premier would lead our delegation, but, as we all know, he was invited to New York City by the America's Cup Event Authority to hear, first hand, whether or not Bermuda's bid to host the 35th America's Cup was successful. Mr. Speaker, as every Bermudian is now aware, we were successful, and the Premier proudly accepted the privilege on behalf of Bermuda, and welcomed the Cup to our shores this week.

Mr. Speaker, the Joint Ministerial Council brings the leaders of the UK's Overseas Territories to London annually to discuss areas of mutual concern with relevant UK Ministers. This was the first JMC for the new Minister responsible for the Overseas Territories, James Duddridge. Our sessions focused on Promoting Economic Development and Prosperity, Delivering Security, the Contribution of the Environment to Economic Prosperity, Migration, Passports and Border Security, and Sustainable Health Services. Leaders also had an opportunity to engage the Foreign Affairs Committee and the Environmental Audit Committee.

In keeping with the aims of the JMC to encourage dialogue between OT Leaders and relevant Ministers, Leaders were able to engage David Gauke, Financial Secretary to the Treasury; Mark Francois, Minister for the Armed Forces; Lord de Mauley, Minister of Natural Environment and

Science; along with their senior technical officers. A highlight was a visit to the House of Commons to observe Prime Minister's Question Time.

Mr. Speaker, you might think that on occasion you have difficulty bringing Members to order, but just imagine the lot of your counterpart, who has to do so without the benefit of a pounding gavel!

As is the norm for such summits, technical teams from the OTs and the UK work assiduously in advance of the meetings, to craft a Joint Communique setting out the points of agreement reached between the parties. For the OTs, their respective London Office Representatives work closely with each other and their respective Leaders to ensure that the interests of each Territory are protected.

In this regard I wish to commend Ms. Kimberley Durrant, our London Office Representative, for her skillful guidance throughout the week. She has developed a keen understanding of the nuances, processes and relationships required to master our engagement with the UK. Her leadership was evident and acclaimed by her colleagues. Without a doubt, Bermuda is seen as the Territory to follow. I am satisfied that our London Office is not only valuable, but necessary.

Mr. Speaker, notwithstanding the good advanced work of the technical teams, we did not arrive in London with an agreed Joint Communique. Major issues remained outstanding, including self-determination, repatriation of Passports, Rights of the Child, Rights of the OTs within international bodies such as the Commonwealth, and most importantly to us, Beneficial Ownership.

By late Wednesday evening there was grave concern that the JMC would conclude without agreement on the issues, an unprecedented occurrence. The defining issue for most of us, particularly those with economies anchored in financial services, was Beneficial Ownership. I must commend my fellow OT Leaders for their resolve to not agree even in the face of concerted UK pressure. This issue is so critical, Leaders were prepared to leave without agreement rather than concede to the position of the UK.

Essentially, **Mr. Speaker**, the UK Government has told the world that in his effort to ensure that British companies are not engaged in illegal financial transactions that would support corruption, money laundering and terrorism, he would ensure that the UK, and its Territories, would create a publicly accessible central register of Beneficial Owners of companies incorporated in the UK and its Territories. This was done without prior consultation with the Territories and without an appreciation of the steps already taken by them.

Mr. Speaker, there are two essential points of disagreement. First, the UK is insisting on each Territory creating a central register and is not willing to consider other means to achieve the same end. Secondly, the UK is insisting on that register being automatically open to the public.

Each Territory has undertaken public consultation on this matter and recognizes that these two points would see the end of our financial services sectors.

While we were able to reach agreement on the other matters save one, where a Territory has requested a further amendment, we have not reached agreement on Beneficial Ownership. However, we agreed that our teams would continue discussions, and that we would meet again in February, hopefully to conclude the matter.

Mr. Speaker, I must clarify that The UK is apparently comfortable with Bermuda's position. We have had a central register for over 70 years and its data is available to proper authorities. However, some of our fellow Territories are not in the same position as us. We have stated our case publicly, including our position that our Register should not be made public.

Mr. Speaker, we did not confine ourselves to the JMC negotiations; Bermuda uses these occasions to conduct as much business as possible. This visit was no exception. In addition to the formal JMC activities, we also conducted a number of interviews with international print and broadcast media, and met with a number of business leaders who have an interest in conducting business in Bermuda. It is critical that we continue to extol the benefits and value proposition of Bermuda.

There are many nations that would be happy to see the offshore financial centres simply disappear, and three of the leading centres are UK Overseas Territories. The international media have a wide reach and we must continually fend off attacks against our economic wellbeing and our reputation by repeating our advantages and differentiating ourselves from other jurisdictions.

Thank You, **Mr. Speaker.**