

Rt Hon David Cameron MP
Prime Minister of the United Kingdom
10 Downing Street
London
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4 April 2016

Dear Prime Minister

Following our very strong and positive MONEYVAL evaluation report, published earlier this year and your own leadership in fighting corruption, I write to set out Guernsey's active and practical commitment to the international anti-corruption agenda and, as part of that, to signal our clear intent to further strengthen law enforcement co-operation between Guernsey and the UK. Guernsey and the UK have shared objectives and aspirations, and our respective law enforcement authorities have the same operational needs in accessing accurate and verifiable information on beneficial ownership of Guernsey companies.

Guernsey has already shown leadership on this agenda. Since it was established in 2000, our regulatory framework for trust and corporate service providers' supervision has been demonstrably successful in practice. Trust and corporate service providers in Guernsey are required to meet global anti-money laundering and countering the financing of terrorism obligations, and Guernsey's company law requires local resident agents to hold accurate and verified beneficial ownership information. We would be pleased to share our extensive practical experience with the UK authorities in order to enable them to regulate this area of practice and raise standards.

The context for our ongoing work in Guernsey is a reflection of our proven commitment to meeting global standards, such as those of the Financial Action Task Force (FATF) and the G20's High Level Principles, as these change in line with the global security challenges. Guernsey has moved in a timely and effective manner with these global standards at every step, and will continue to do so. We understand our responsibilities clearly in relation to global anti-money laundering and countering the financing of terrorism initiatives, and we have shown active leadership on initiatives to tackle economic crime.

This was demonstrated in 2015, when Guernsey was the first non-EU Member State, aside from the USA, to hold the presidency of the Camden Asset Recovery Inter-agency Network (CARIN). We used our presidency, among other things, to sponsor initiatives designed to improve co-operation between jurisdictions around the world in relation to exchanges of information in relation to beneficial ownership of companies.

Our active leadership is also demonstrated in the very high quality of our recent MONEYVAL evaluation report, which included findings in relation to transparency of beneficial ownership and international cooperation and information exchange. Our leadership also includes a positive relationship between law enforcement authorities in Guernsey and their counterparts in other jurisdictions around the world, including the UK, combined with our proven ability to provide beneficial ownership information successfully on request. The MONEYVAL evaluation report marks the beginning of the next phase of our programme of continuous improvement as we implement the recommendations that have been made. We have also begun work on a National Risk Assessment, building on the MONEYVAL evaluation, and ensuring the effective implementation of the FATF Recommendations from 2012 as we move forward. All of this work is being carried out with full regard to the Fourth Anti-Money Laundering Directive of the European Union as a point of principle.

In undertaking this comprehensive body of technical work, we are demonstrating our commitment to ensuring enhanced co-operation between law enforcement authorities on information-sharing for the prevention, detection and investigation of corruption, economic crime, money laundering and terrorist financing. As the UK is our most significant partner for financial services, working in this way will be of clear benefit to the relationship between Guernsey and UK law enforcement authorities, through consolidating the availability of beneficial ownership information and enhancing the accessibility of information.

Guernsey shares the UK's aim of enhanced timeliness of access to adequate, accurate and current beneficial ownership information in relation to Guernsey companies, the secure exchange of that information and the prevention of any possibility of tipping off, without diminishing verifiability, together with a designated team to be a point of contact for co-operation between Guernsey law enforcement authorities and their international counterparts. Timely exchange of information means within 24 hours, but from our perspective we consider that the target should be thirty minutes where the requesting authority considers it to be urgent. In taking these steps, we will have in place in Guernsey a secure, consolidated and locally-accessed register with a designated point of contact, and the provisions in place for timely information exchange between Guernsey and UK law enforcement authorities.

The work to deliver that is now under way in Guernsey, and, as early as possible, in 2017 recommendations will be made to our legislative and executive parliamentary assembly for approval, working closely with the appropriate authorities in Alderney and Sark. We will aim to enact legislation by 2018 at the latest. These recommendations will set out a formal enhancement of the relationship on co-operation between our law enforcement authorities. Following our own technical consultation in Guernsey, those recommendations will not include a register which is publicly accessible as we do not believe that would allow us to demonstrate the information is secure, which is a material domestic concern. However that approach will not inhibit the fundamental requirements of timeliness or verifiability.

We note that formal agreements are under consideration between the UK's law enforcement authorities and counterpart authorities in other jurisdictions. We too will consider putting in place a reciprocal agreement between Guernsey and the UK's respective law enforcement authorities as soon as is practicable after our election.

I trust that you will endorse the approach that we have taken, and will continue to take, we in turn welcome your personal commitment to the anti-corruption agenda, an agenda that has Guernsey's full, unqualified and active support.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jonathan P Le Tocq', followed by a period.

Jonathan P Le Tocq
Chief Minister of Guernsey | Premier Ministre de Guernesey